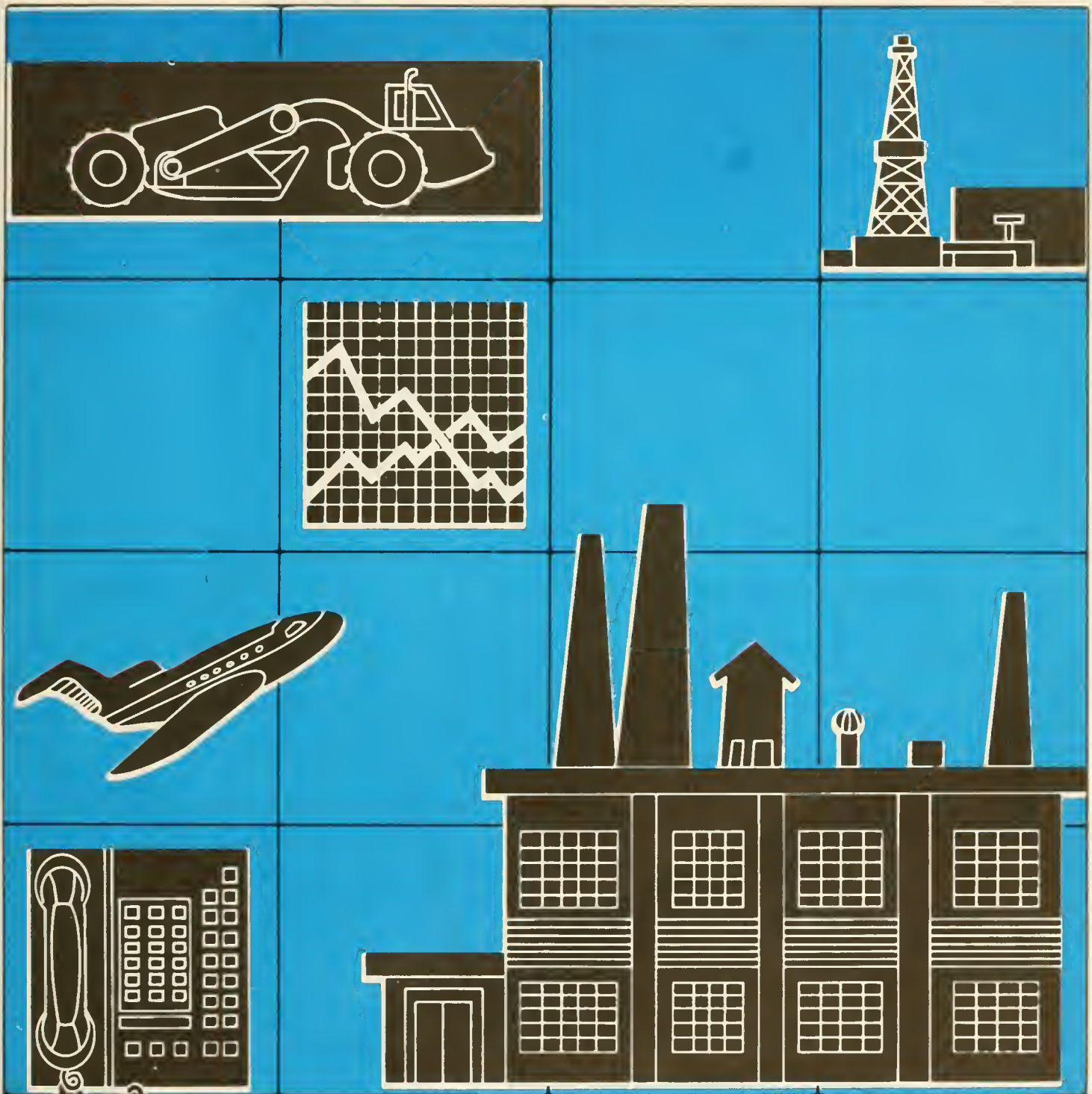


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Statistics  
of Income

# Corporation Income Tax Returns

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## Statistics of Income

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Data on Tax-exempt  
Organizations, 1975,  
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Selected Corporate,  
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Partnership Data, 1978

Windfall Profit Tax Liability  
Data, 1980

#### Contents, Vol. 1, No. 3, Winter 1981-1982:

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Preliminary Individual Income  
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#### Contents, Vol. 1, No. 4, Spring 1982:

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1979-1980

Individual Income Tax Returns,  
1980

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Foreign Income and Taxes  
Reported on U.S. Tax Returns,  
1976-1979

SOI Bulletin, Summer 1982

### Tape Files Available

Individual Tax Model File,  
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State Tax Model File, 1977-1979

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The 1979 Individual Tax Model  
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Plans file are available on a  
reimbursable basis from the  
Statistics of Income Division,  
Internal Revenue Service,  
Washington, DC 20224.

# 1978-1979

Statistics  
of Income

# Corporation Income Tax Returns

Publication 16 (5-82)

Department of the Treasury  
Internal Revenue Service

**Roscoe L. Egger, Jr.**  
Commissioner

**M. Eddle Helronimus**  
Assistant Commissioner  
(Returns and Information Processing)

**Fritz Scheuren**  
Director, Statistics of Income Division

**Lillie B. Dorsey**  
Chief, Corporation Statistics Branch

This report contains data by industry on assets, liabilities, receipts, deductions, net income, income subject to tax, credits, distributions to stockholders and additional tax for tax preferences. Data are also classified by size of total assets and by size of business receipts. Other classifications include "returns with net income" and "Small Business Corporations taxed through stockholders."

More detailed statistics for the industries shown in tables 1.1 and 2.1 of this report are available in Publication 1053, *Source Book of Statistics of Income—1978, 1979*, respectively. A general description of the Source Book, including ordering information, is available from the Director, Statistics of Income Division D:R:S, Internal Revenue Service, Washington, DC 20224.

In addition, special Statistics of Income tabulations based on corporation income tax returns for 1978 or 1979 can be produced upon request on a reimbursable basis. Requests for this service should be addressed to the Director, Statistics of Income Division, at the address shown above.

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Corporation Income Tax Returns  
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Washington, DC 1982

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COMMISSIONER OF INTERNAL REVENUE

Washington, DC 20224

May 3, 1982

The Honorable Donald T. Regan  
Secretary of the Treasury  
Washington, DC 20220

Dear Mr. Secretary:

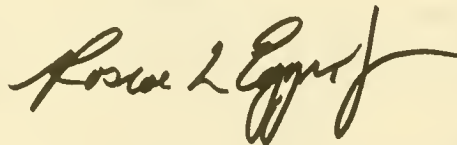
I am transmitting the complete report, Statistics of Income—1978-1979, Corporation Income Tax Returns. This report has been produced in accordance with the mandate of section 6108 of the Internal Revenue Code which requires the preparation and publication of statistics reasonably available with respect to the operation of the internal revenue laws.

The report presents information on receipts, deductions, net income, income tax liability, tax credits, and distributions to stockholders. Statistics are also provided on the corporate tax base and on the computation of income tax and additional tax for tax preferences ("minimum tax").

Classifications include industry, size of total assets, and size of receipts. Separate statistics are included for returns with net income, inventories, investment credit items, members of controlled groups, and Small Business Corporations electing to be taxed through their stockholders.

With kind regards,

Sincerely,

A handwritten signature in dark ink, appearing to read "Roscoe L. Eggen". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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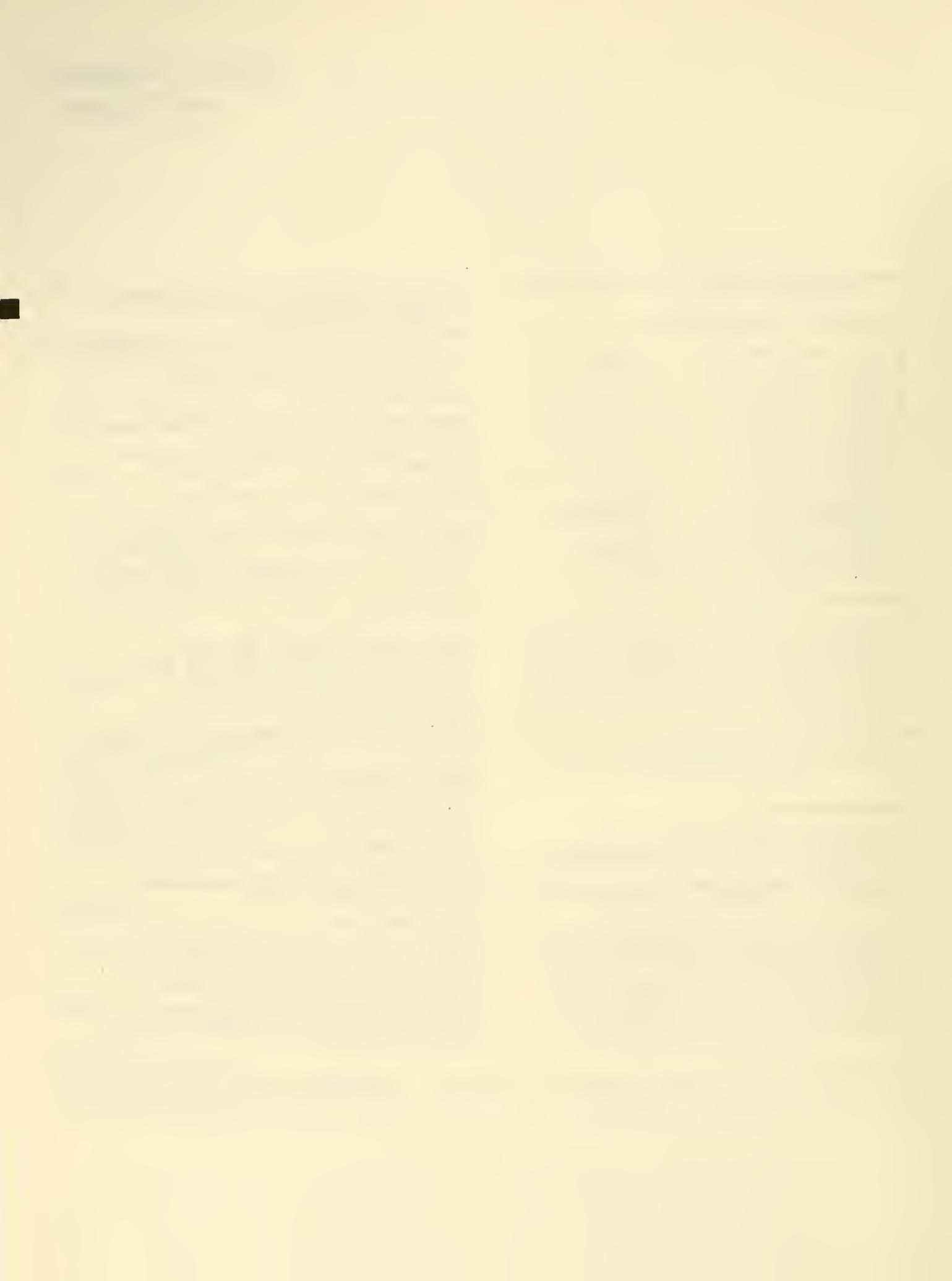
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NOTE: Tables for 1978 are numbered beginning with a 1 (examples: 1.3 and 1.14); tables for 1979 are numbered beginning with a 2 (examples: 2.3 and 2.14).





This report presents statistical estimates derived from a stratified sample of approximately 99,000 corporation returns selected from the more than 2.3 million active corporate returns filed for the 1978 Income Year.\* Also presented are statistical estimates derived from a stratified sample of approximately 80,000 corporation returns selected from the more than 2.5 million active corporate returns filed for the 1979 Income Year.

Organizationally, the report is divided into 6 sections. The first section provides statistics summarizing overall corporate activity for Income Years 1978 and 1979. Changes in law between this report and that for Income Year 1977 are discussed next. In section 3, there is a detailed description of the sample of income tax returns upon which the statistics were based, as well as a discussion of the method of estimation used, the sampling variability of the data, and other limitations.

Section 4, which is divided into two parts—the first for 1978 and the second for 1979—presents the basic tables that contain detailed statistics on income tax liability, tax credits, net income, and other income and financial data. Section 5 contains detailed explanations of the terms used in the report. In most instances, the explanations include definitions and limitations of terms used as well as adjustments made in preparing the statistics.

Section 6, which is divided into two parts—the first for 1978 and the second for 1979—includes facsimiles of Forms 1120, 1120-DISC, 1120F, 1120L, 1120M, 1120S, 3468 and 5884. The instructions used for completing most of these forms are also provided there.

#### OVERALL CORPORATE SUMMARY

Figure A presents statistics on the number of returns, total assets, total receipts, net income (less deficit) and total tax for Income Years 1977, 1978 and 1979. These data are classified by size of total assets.

This figure shows a 6 percent increase (about 135,000) in the total number of returns from 1977 to 1978. Total assets for 1978 increased by about 13 percent from 1977 to over \$6 trillion. This was the first time total assets surpassed the \$6 trillion mark. Total receipts for 1978 experienced a slightly larger increase—about 14 percent. The percentage increase in net income (less deficit) dropped from 18 percent between 1976 and 1977 to only 12.6 percent between 1977 and 1978.

For returns with total assets of \$250 million or more, the total income tax was about 10.4 percent higher for 1978 than for 1977. These large returns, which represent slightly over one percent of the total number of returns, accounted for approximately 65.8 percent of the total income tax on all corporate

returns. Total income tax for 1978 for these corporations represented only 3 percent of their total receipts. As a percent of net income (less deficit), total income tax for these returns was 45.3 percent, substantially the same as for 1977.

For 1979, there was a 7.6 percent increase in the number of returns over 1978. Total assets for 1979 rose to over \$6.8 trillion—an increase of about 13.6 percent. Total receipts for 1979 rose by 18.8 percent to approximately \$5.6 trillion. This was the first time total receipts surpassed the \$5 trillion mark. The percentage increase in net income (less deficit) reversed recent trends and rose by about 15.3 percent for 1979 over the data for 1978.

For the largest returns in 1979, the total income tax was about 17 percent higher than for the corresponding group for 1978. These large returns (which still represented only slightly over one percent of the total number of returns) accounted for an even higher percent of the total income tax on all corporate returns—69.2 percent for 1979 versus 65.8 percent for 1978. The total income tax for 1979 for these corporations, however, continued to be only about 3 percent of their total receipts. As a percent of net income (less deficit), total income tax for these returns was 43.2 percent, a decrease of 2.1 percentage points from 1978. As discussed later in the Changes in Law section, the corporate tax rate structure was changed for taxable years beginning after December 31, 1978. The maximum rate of taxation over \$100,000 of taxable income was reduced, in effect, by 2 percent.

#### ACTIVITIES COVERED

The estimates in this report encompass corporate business activities in the United States as reported on returns of "domestic" and foreign corporations, as well as certain foreign activities. The term "domestic" corporations refers to companies incorporated in the United States, but does not necessarily imply that all their activities are domestic. For instance, data for a U.S. corporation conducting business abroad through foreign subsidiaries may include dividends remitted from those subsidiaries and, to a limited extent, undistributed earnings of those subsidiaries.

For foreign corporations (defined as those organized abroad) engaged in trade or business in the United States, only income that was considered "effectively connected" with the conduct of a trade or business in the United States is included in the statistics. Other foreign corporations, organized abroad and not engaged in trade or business in the United States, were liable for tax only on investment income from U.S. sources. Such income is excluded from the report.

The effect of foreign activity on the statistics varies by industry and assets size. Some industries may have higher incidences of foreign activity than

\*This report was prepared in the Statistics of Income Division by Ray Samuelson (text) of the Corporation Special Projects Section (Linda B. Taylor, Acting Chief) and David E. Jordan (tables) of the Corporation Returns Analysis Section (James R. Hobbs and Karen L. Cys, Acting Chiefs).

Figure A.--Returns of Active Corporations: Number of Returns, Total Assets, Total Receipts, Net Income (Less Deficit), and Total Income Tax, by Size of Total Assets, Income Years 1977, 1978, and 1979

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Year and size of total assets	Number of returns	Total assets	Total receipts	Net income (less deficit)	Total income tax
	(1)	(2)	(3)	(4)	(5)
<b>1977</b>					
Total.....	2,241,887	5,326,389,281	4,128,304,478	219,243,043	96,340,453
Zero assets.....	57,304	-	32,722,983	1,092,395	556,591
\$1 under \$100,000.....	1,203,764	41,219,373	149,104,796	1,411,984	557,262
\$100,000 under \$250,000.....	424,648	68,123,746	157,060,205	4,221,501	1,059,658
\$250,000 under \$500,000.....	235,472	82,983,397	177,976,515	4,662,017	1,306,177
\$500,000 under \$1,000,000.....	144,421	101,024,944	221,090,085	5,959,221	2,022,315
\$1,000,000 under \$5,000,000.....	129,577	266,175,302	537,523,559	16,182,234	6,924,809
\$5,000,000 under \$10,000,000.....	18,026	126,144,710	181,890,359	6,905,042	3,164,891
\$10,000,000 under \$25,000,000.....	13,628	215,313,474	198,660,957	8,990,042	4,002,694
\$25,000,000 under \$50,000,000.....	6,524	228,377,700	149,633,255	7,575,954	3,352,767
\$50,000,000 under \$100,000,000.....	3,788	263,902,329	160,759,837	7,828,710	3,417,816
\$100,000,000 under \$250,000,000.....	2,530	389,510,842	235,561,727	12,995,905	5,648,277
\$250,000,000 or more.....	2,205	3,543,613,464	1,926,320,200	141,418,038	64,327,196
<b>1978</b>					
Total.....	2,376,779	6,014,452,008	4,714,602,615	246,867,473	107,888,445
Zero assets.....	70,894	-	34,332,392	369,113	505,166
\$1 under \$100,000.....	1,250,000	43,093,864	165,439,550	1,774,045	732,752
\$100,000 under \$250,000.....	449,001	72,734,426	178,805,127	5,266,846	1,230,091
\$250,000 under \$500,000.....	252,280	89,129,295	196,644,315	5,857,424	1,635,681
\$500,000 under \$1,000,000.....	160,886	112,631,613	253,247,876	7,262,748	2,412,223
\$1,000,000 under \$5,000,000.....	142,502	287,523,681	606,372,239	18,489,940	7,892,809
\$5,000,000 under \$10,000,000.....	19,792	137,970,335	225,413,335	8,232,763	3,770,267
\$10,000,000 under \$25,000,000.....	15,206	240,636,260	231,947,375	10,517,613	4,640,268
\$25,000,000 under \$50,000,000.....	6,868	240,995,596	165,525,686	8,652,405	3,718,131
\$50,000,000 under \$100,000,000.....	4,125	288,422,093	185,272,552	9,280,563	3,954,897
\$100,000,000 under \$250,000,000.....	2,750	423,440,563	262,043,915	14,512,537	6,380,708
\$250,000,000 or more.....	2,475	4,077,874,281	2,209,558,253	156,651,477	71,015,451
<b>1979</b>					
Total.....	2,556,794	6,835,056,963	5,598,689,129	284,615,731	120,047,034
Zero assets.....	70,249	-	45,952,258	52,642	705,719
\$1 under \$100,000.....	1,332,977	46,407,354	186,677,431	1,440,837	642,249
\$100,000 under \$250,000.....	484,444	78,146,722	199,241,753	4,793,669	1,117,301
\$250,000 under \$500,000.....	277,781	98,006,851	229,887,975	6,325,006	1,623,607
\$500,000 under \$1,000,000.....	178,100	124,432,798	281,975,657	6,706,156	2,269,393
\$1,000,000 under \$5,000,000.....	159,833	323,465,726	701,469,862	19,730,938	8,077,274
\$5,000,000 under \$10,000,000.....	20,686	144,147,198	244,933,865	8,140,972	3,643,590
\$10,000,000 under \$25,000,000.....	15,279	241,328,163	264,086,039	10,891,452	4,711,477
\$25,000,000 under \$50,000,000.....	7,323	258,255,679	191,026,457	8,694,163	3,793,656
\$50,000,000 under \$100,000,000.....	4,436	310,782,886	211,200,889	10,154,601	4,033,753
\$100,000,000 under \$250,000,000.....	3,006	462,157,605	299,038,115	15,294,011	6,343,707
\$250,000,000 or more.....	2,680	4,747,925,980	2,743,198,825	192,391,283	83,085,308

NOTE: Detail may not add to total because of rounding.

others and foreign income is reflected in their statistics to a greater extent. Also, foreign activity tends to increase with the asset size of the corporation.

Section 6012 of the Internal Revenue Code required that all corporations in existence at any time during the income year file returns, regardless of whether they had income or not. This applied to active and inactive domestic corporations unless they were expressly exempt from filing, as well as to active foreign corporations with insufficient taxes withheld at the source to satisfy their U. S. tax liability on income earned in the United States.

In addition to legally defined corporations, the Internal Revenue Code recognized many types of businesses as corporations, including joint stock companies; and unincorporated associations, such as business trusts, savings and loan associations, certain partnerships, mutual savings banks, and cooperative banks. Because these organizations possess characteristics typical of the corporate form, such as continuity of life, centralization of management apart from ownership, limited liability of owners, and transferability of shares of capital ownership, they were required to file corporation income tax returns.



The statistics show financial data estimated from the following estimated number of active corporation income tax returns:

	1978	1979
Form 1120 (U.S. Corporations).....	1,883,282	2,024,652
Form 1120S (U.S. Small Business Corporations).....	478,679	514,907
Form 1120L (U.S. Life Insurance Companies)...	1,798	1,787
Form 1120M (U.S. Mutual Insurance Companies).....	1,230	1,308
Form 1120F (U.S. Returns of Foreign Corporations).....	4,582	6,074
Form 1120-DISC (Domestic International Sales Corporations).....	7,208	8,066

No data were tabulated from the inactive corporation returns filed. Besides returns filed by inactive corporations, the statistics specifically exclude foreign corporations with no income "effectively connected" with a U.S. trade or business, returns of farmers' cooperatives exempt from income tax under Internal Revenue Code section 521, and nonprofit corporations (educational, charitable, and similar organizations) exempt from income tax under section 501. Also excluded from the statistics are returns of mutual insurance companies, (except life or marine and certain fire or flood insurance companies) with gross receipts that did not exceed \$150,000, which were exempt from income tax under Internal Revenue Code section 501. The Revenue Act of 1978 authorized

the various States to establish private corporations for the benefit of the residents of the State. The returns of these General Stock Ownership Corporations were excluded from the statistics.

#### TIME PERIOD EMPLOYED

The estimates in this report are based on data from both returns with accounting periods that coincided with the calendar year and returns with accounting periods that were for noncalendar years ended during the span of months July 1978 through June 1979 for the 1978 Income Year and, for the Income Year 1979, during the span of months July 1979 through June 1980. At the center of the 12-month span was the calendar year, i.e., the year ended December 1978 and December 1979, respectively. This span, in effect, defines the income year in such a way that the noncalendar year accounting periods are centered at the calendar year ended December.

The 24 accounting periods (12 for each year) covered by the report are presented in figure B. Code section 441 specified that, in general, the accounting period close at the end of the month. Thus, figure B shows a span of 23 months between the first-included accounting period, which began on August 1 and closed on July 31, and the start of the last-included accounting period, which began on July 1 and closed on June 30. This report, therefore, shows income received or expenses incurred during any or all of the months in the 23-month span. For balance sheet items, such as total assets and inventories, the report shows a corporation's position only at a given point in time, namely, at the end of its accounting period. Corporations were required by section 441 to file returns for the accounting period customarily used in keeping their books.

Figure B

### Accounting periods, income years 1978 and 1979<sup>1</sup>

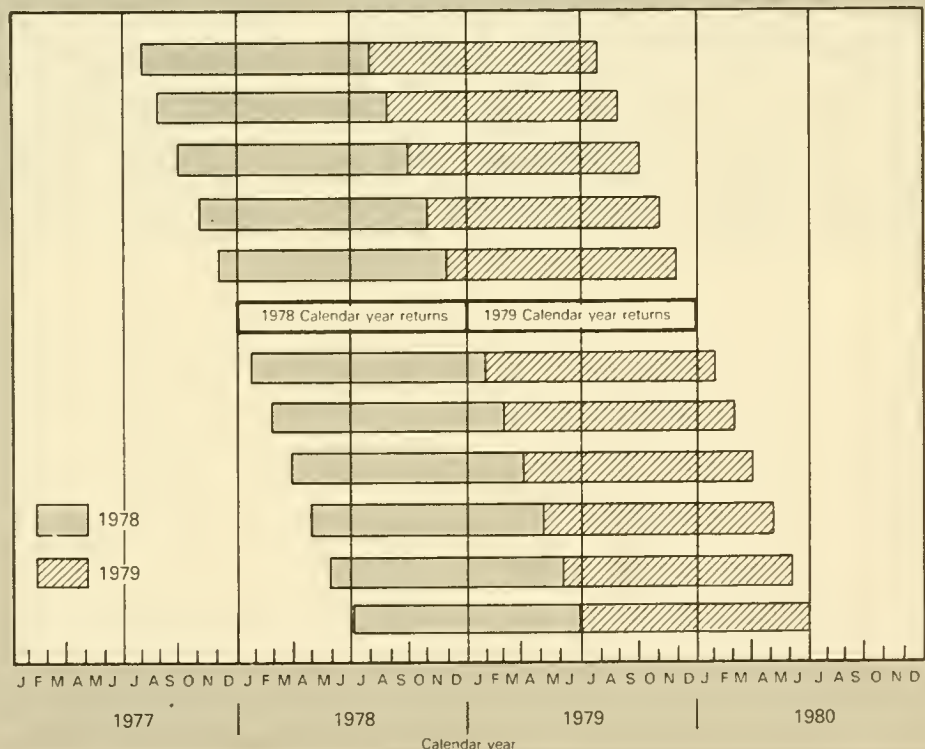


Figure C

### Number of returns and net income (less deficit), by accounting periods, income years 1978 and 1979<sup>1/</sup>

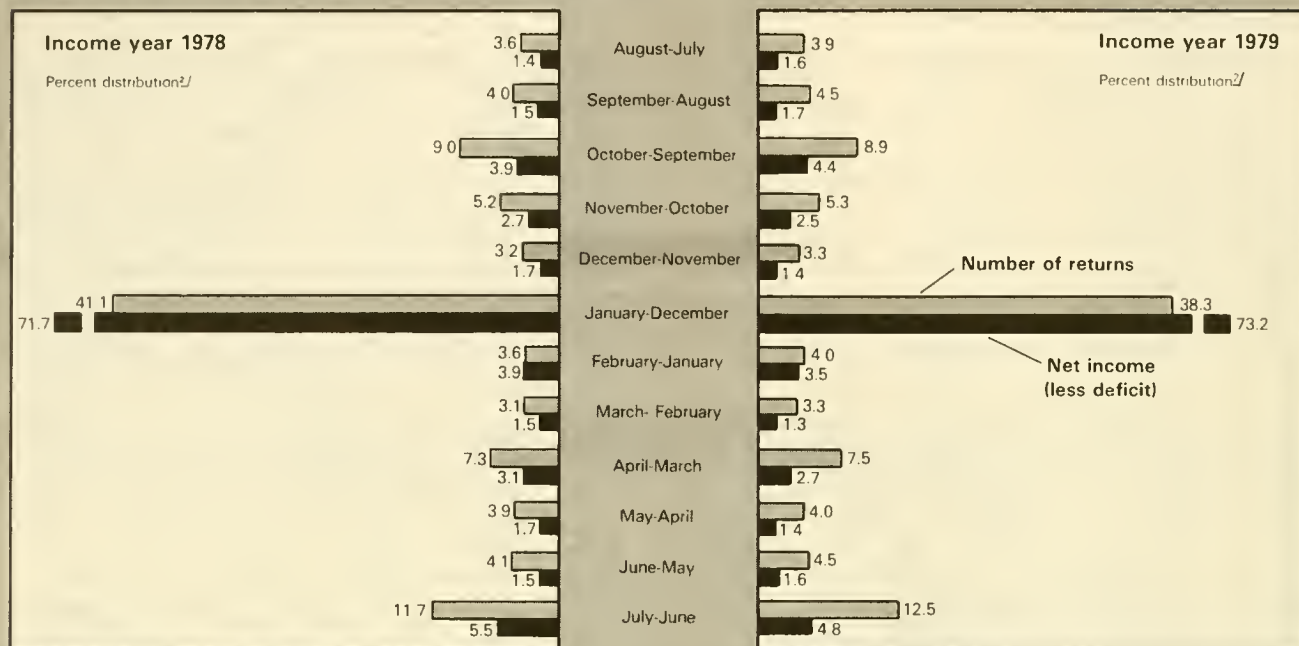
<sup>1/</sup>Includes part-year returns.<sup>2/</sup>Percentages may not equal 100% due to rounding.

Figure D shows the total assets, total receipts, net income (less deficit), and total income tax reported on returns for each of the 12 accounting periods for both years. Approximately 41.1 percent of the 1978 returns were filed for the calendar year, but these included returns of most of the larger corporations. Over 79.9 percent of total assets, 71.7 percent of net income (less deficit), and 60.0 percent of total receipts were reported on 1978 calendar year returns. Only 38.3 percent of the 1979 returns were filed for the calendar year. Over 79.5 percent of the total assets, 73.2 percent of net income (less deficit), and 59.6 percent of total receipts were reported on 1979 calendar year returns.

Basically, corporation returns were due to be filed within two-and-one-half months after the close of the corporate accounting period. However, in accordance with Code section 6018, most corporations could receive filing extensions for as long as 6 months.

The total number of active corporations included, in addition to returns with accounting periods that spanned 12 months, returns with accounting periods of shorter duration. Such returns are referred to as part-year returns and were filed, for the most part, by continuing corporations changing their accounting periods, new corporations in existence less than 12 months, merging corporations, and liquidating corporations.



Figure D.--Returns of Active Corporations: Number of Returns, Total Assets, Total Receipts, Net Income (Less Deficit), and Total Income Tax, by Accounting Periods for Income Years 1978 and 1979

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Accounting period ended <sup>1</sup>	Number of returns	Total assets	Total receipts	Net income (less deficit)	Total income tax
	(1)	(2)	(3)	(4)	(5)
<b>1978</b>					
Total.....	2,376,779	6,014,452,008	4,714,602,615	246,867,473	107,888,445
December 1978.....	976,483	4,802,622,125	2,830,055,031	176,904,884	80,331,847
Noncalendar year, total.....	1,400,296	1,211,829,883	1,884,547,585	69,962,589	27,556,598
July 1978.....	86,236	61,442,146	107,526,561	3,487,575	1,517,972
August 1978.....	95,599	63,978,829	112,340,577	3,802,272	1,570,751
September 1978.....	214,068	232,504,115	264,474,337	9,516,414	4,182,757
October 1978.....	123,790	121,627,805	163,108,961	6,551,482	2,547,180
November 1978.....	75,882	75,707,646	82,612,347	4,174,399	1,668,247
January 1979.....	85,368	114,881,890	206,089,754	9,727,176	3,020,496
February 1979.....	74,495	51,897,877	100,307,694	3,608,655	1,371,537
March 1979.....	174,636	131,905,088	263,021,105	7,706,365	3,131,397
April 1979.....	93,775	60,059,327	106,500,668	4,089,102	1,578,081
May 1979.....	97,364	59,021,893	122,100,412	3,748,731	1,458,196
June 1979.....	279,083	238,803,268	356,465,169	13,550,418	5,509,982
<b>1979</b>					
Total.....	2,556,794	6,835,056,963	5,598,689,129	284,615,731	120,047,034
December 1979.....	978,264	5,431,355,699	3,334,180,351	208,268,866	90,813,935
Noncalendar year, total.....	1,578,530	1,403,701,263	2,264,508,778	76,346,866	29,233,099
July 1979.....	100,274	76,175,884	135,761,397	4,544,268	1,761,841
August 1979.....	115,091	79,659,925	138,318,204	4,857,701	1,880,149
September 1979.....	228,768	267,011,599	326,367,554	12,491,676	5,070,142
October 1979.....	134,669	136,959,786	185,070,893	6,997,027	2,611,178
November 1979.....	84,945	89,802,290	95,377,025	3,942,548	1,729,475
January 1980.....	101,103	127,478,872	243,785,596	10,016,106	2,741,377
February 1980.....	85,294	60,209,948	115,262,939	3,810,326	1,480,699
March 1980.....	192,259	156,331,498	307,400,995	7,562,676	3,090,429
April 1980.....	101,043	66,246,806	133,305,351	3,845,041	1,495,382
May 1980.....	115,452	69,878,535	160,552,936	4,668,189	1,677,438
June 1980.....	319,632	273,946,121	423,305,888	13,611,310	5,694,990

<sup>1</sup>Includes part-year returns.

NOTE: Detail may not add to total because of rounding.



The statistics in this report reflect, to varying degrees, changes in law that became effective during the accounting periods covered. Depending on the accounting period used and the effective date of the change in law, the changes may have been fully applicable for some corporations, only partially applicable for others, and not applicable at all for still others.

The information that follows is a comprehensive description of the major law changes that became effective, for the first time, during the 1978 or 1979 Income Year. These law changes are those that affected substantially the comparability of the statistics in this report with those in 1977 and prior years. The changes resulted from the Revenue Act of 1978 and the Energy Tax Act of 1978. Where possible, the magnitude of the new provisions has been measured and discussed.

#### REVENUE ACT OF 1978

##### Tax Rate Reduction

Under prior law, corporate income was subject to a normal tax of 20 percent on the first \$25,000 of taxable income and 22 percent on taxable income in excess of \$25,000. In addition, a surtax of 26 percent was imposed on corporate taxable income in excess of \$50,000. This rate structure was enacted temporarily in the Tax Reduction Act of 1975 and was extended through 1978 by subsequent legislation. The Revenue Act of 1978 repealed the corporate normal tax and surtax and in their place imposed a five-step tax rate structure on corporate income. Effective for taxable years beginning after December 31, 1978, the corporate tax rates were:

<u>Taxable income</u>	<u>Tax rate</u>
Under \$25,000.....	17 percent
\$25,000 to \$50,000.....	20 percent
\$50,000 to \$75,000.....	30 percent
\$75,000 to \$100,000.....	40 percent
Over \$100,000.....	46 percent.

The 1978 Act continued the special rules for the tax treatment of mutual savings banks conducting a life insurance business, insurance companies, regulated investment companies and real estate investment trusts. Fiscal-year corporations were entitled to the benefit of the new rates for that part of a 1978-1979 fiscal year that fell in 1979, figured on a percentage (number of days in 1979 in relation to total number of days in fiscal year) of the taxable income for the entire taxable year.

##### Investment Tax Credit

Prior to the Tax Reduction Act of 1975, an investment credit of seven percent was available for qualified property (four percent for certain public utilities). The 1975 Act temporarily increased the rate of the investment credit to 10 percent of the qualified investment in all qualified property (including utility property). The Tax Reform Act of

1976 extended the temporary increase in the credit for four additional years through 1980. The Revenue Act of 1978 made the 10-percent credit permanent.

The 1975 Act temporarily increased the limitation on qualified investment in used property from \$50,000 to \$100,000 per taxable year until January 1, 1977. The 1976 Act extended the increase through 1980. Under the 1978 Act, the \$100,000 used property limitation was made permanent.

Prior to the 1978 Act, taxpayers generally used investment credits to apply against the first \$25,000 of tax liability, plus 50 percent of tax liability exceeding \$25,000. For taxable years ending after 1978, the 50-percent limitation was increased over a transitional period to 90 percent, phased in at 10 additional percentage points a year.

The 1978 Act extended the investment tax credit to rehabilitation expenditures for commercial buildings and certified historic structures. Qualified rehabilitation expenditures were costs that were required to be capitalized and that were incurred for property or additions or improvements to property with a useful life of at least five years. The expenditures must have been incurred after October 31, 1978, in connection with the rehabilitation of a qualified rehabilitated building. A qualified rehabilitated building was a building (and its structural components) that satisfied the following requirements: (1) had been rehabilitated; (2) was placed in service before the beginning of the rehabilitation; (3) retained in place at least 75 percent of the existing walls of the building as external walls in the rehabilitation process; and (4) a period of at least 20 years between the date of the physical work in the rehabilitation of the building began and the later of (a) the date the building was first placed in service or (b) the date the building was placed in service in connection with a prior rehabilitation for which an investment credit was allowed for rehabilitation expenditures.

Rehabilitation costs that qualified for the investment credit were treated as new Code section 38 property. Therefore, qualified expenditures were not subject to the \$100,000 used property limitation, except to the extent they were for property that otherwise qualified for the investment credit.

Costs of rehabilitating a certified historic structure (as defined in Code section 191(d)(1)) qualified for the investment credit only if the rehabilitation was certified by the Secretary of the Interior "as being consistent with the historic character of the property or the district in which the property is located." If the taxpayer elected the 60-month amortization for certified rehabilitation expenditures the expenditures were not eligible for the investment credit.

Prior to enactment of the 1978 Act, the investment credit was allowed only for half of a taxpayer's investment in a pollution control facility if the taxpayer had elected five-year amortization for the facility. The Revenue Act of 1978 increased the percentage allowable from 50 percent to 100 percent.



### Employment-Related Tax Credits

In place of the general jobs tax credit, which expired at the end of 1978, the Revenue Act of 1978 increased the rate of the existing Work Incentive (WIN)-welfare recipient tax credit and provided a new targeted jobs credit to encourage the hiring of needy youths and others who often have difficulty finding jobs even when the economy is prosperous.

The new jobs credit, created by the Tax Reduction and Simplification Act of 1977, was allowed to an employer whose Federal Unemployment Tax Act (FUTA) wages increased by 102 percent over the previous year's wages. The credit was for 50 percent of this excess. The credit could not exceed: (1) 50 percent of the excess of the current year's total wages over 105 percent of the previous year's total wages, (2) 25 percent of the current year's FUTA wages, (3) \$100,000, or (4) the tax liability. The employer was required to reduce the wage deduction by the amount of the credit. Finally, the new jobs credit was applicable only to taxable years 1977 and 1978.

The Revenue Act of 1978 created the targeted jobs credit. It was allowed to taxpayers who hired individuals from any of the following targeted groups: (1) vocational rehabilitation referrals; (2) economically disadvantaged youth; (3) Vietnam veterans from an economically disadvantaged family; (4) Supplemental Security Income (SSI) benefit recipients; (5) general assistance recipients; (6) economically disadvantaged former felons; and (7) youths participating in a qualified cooperative education program.

The credit was limited to the sum of 50 percent of "qualified first-year wages" and 25 percent of "qualified second-year wages." The 1978 Act also limited the amount of qualified wages that could be taken into account in computing the targeted jobs credit. The limit was 30 percent of the total FUTA wages paid by the employer during the calendar year ending within the taxable year. The 30 percent limit applied only to qualified first-year wages. Qualified second-year wages were not subject to that limitation. The 1978 Act did not provide for any carryover of amounts in excess of that limitation. FUTA wages were defined as the first \$6,000 of wages per employee during the calendar year. The Revenue Act of 1978 further limited the credit to 90 percent of the employer's income tax liability. Furthermore, the credit was allowed only after all other nonrefundable credits were taken. If after applying all other nonrefundable credits, the remaining tax liability for the year was less than the targeted jobs credit, the excess could be carried back three years and carried forward seven years, beginning with the earliest year. For certain agricultural and railroad employees not covered by FUTA, the credit was computed using social security (FICA) or Railroad Unemployment Insurance Act (RUIA) records.

Excluded from the amount of qualified wages were on-the-job training payments; payments to individuals for whom a WIN credit was claimed; and wages paid or incurred after December 31, 1980. Additionally, more than 50 percent of the remuneration paid for qualified employees must have been paid for services in a trade or business of the employer. The 1978 Act made the targeted jobs credit elective for each taxable year beginning after December 31, 1978. In general, the effective dates for the credit were for amounts paid or incurred in taxable years ending after December 31, 1978. In addition, special transitional rules applied to fiscal year corporations that qualified for both the new jobs credit under prior law and the targeted jobs credit.

As previously stated, the Revenue Act of 1978 modified the WIN-welfare recipient credit to make it compatible with the targeted jobs credit. Under the 1978 Act, the WIN-welfare recipient credit was allowed

only to taxpayers who paid or incurred "work incentive program expenses" during the taxable year. Work incentive program expenses were the amount of wages paid or incurred by the taxpayer for services rendered by an eligible employee.

An eligible employee must have been either a member of an Aid to Families with Dependent Children (AFDC) family that had been receiving financial assistance for at least 90 continuous days immediately preceding the hiring date, or a WIN registrant. In addition, the employee must have been employed by the taxpayer for more than 30 consecutive days on a substantially full-time basis. Any individual who had displaced another from the taxpayer's employment, or who was a migrant worker, did not qualify as an eligible employee. An individual who performed services for a taxpayer could qualify as an eligible employee even though the services were not performed in the taxpayer's trade or business.

The credit was equal to 50 percent of qualified first-year wages plus 25 percent of qualified second-year wages limited to the taxpayer's actual tax liability. Qualified first-year wages consisted of wages attributable to services rendered by an eligible employee during the one-year period beginning with the day the individual first begins work for employer. Qualified second-year wages consisted of wages attributable to services rendered during the one-year period beginning at the close of the first-year period. The amount of eligible wages that were taken into account in computing the WIN credit were limited to \$6,000 per employee. This limit applied to both the first and second year of employment.

The Act provided that the ordinary deduction for wages must be reduced by the amount of the WIN credit. This rule was designed to prevent the combination of the credit and the ordinary wage deduction from producing a tax reduction greater than the amount of eligible wages, and to make the percentage reduction in labor costs equal for all trade or business employers, regardless of their tax bracket. This rule applied even though the credit may exceed the tax liability for the year. Any excess WIN credits were subject to carryback and carryover rules.

The Act repealed the rules relating to recapture of the WIN credit for early termination of employment or failure to pay comparable wages.

The Act provided that the controlled group rules of the targeted jobs credit also apply to the WIN credit.

The changes to the WIN credit applied to work incentive program expenses paid or incurred after December 31, 1978, in taxable years ending after that date. The WIN credit was not allowed for qualified second-year wages for eligible employees hired before September 27, 1978. However, a special transitional rule applied to eligible employees hired on or after September 27, 1978. These employees were treated for purposes of the amendments to the WIN credit as having first begun work for the taxpayer no earlier than January 1, 1979.

### Capital Gains Tax Rate Reduction

Under prior law, an alternative tax of 30 percent applied to corporate net capital gains (the excess of net long-term capital gain over net short-term capital loss) if that rate was less than the corporation's regular tax rate. The maximum regular corporate tax rate was 48 percent.

The Congress believed that a reduction in the corporate alternative tax rate was appropriate to provide corporate capital gains with the same tax differential in effect with respect to the maximum corporate regular income tax rate, which the Revenue Act of 1978 reduced from 48 percent to 46 percent. The 1978 Act



reduced the corporate alternative tax rate from 30 to 28 percent. This reduction generally applied to taxable years ending after December 31, 1978. A transitional rule was provided for fiscal year taxpayers with respect to sales or exchanges occurring after December 31, 1978, in the fiscal year ending in 1979. Under this rule the corporate alternative tax was the sum of: (1) 28 percent of the lesser of the net capital gain for the year, or the net capital gain from post-December 31, 1978, sales and exchanges, and (2) 30 percent of the excess of the net capital gain for the year over the amount of gain taken into account under (1).

#### ENERGY TAX ACT OF 1978

##### Business Energy Investment Credit

The Energy Tax Act of 1978 revised the amount of the investment tax credit (see above) to equal the sum of the following percentages of the qualified investment: (1) the regular percentage; (2) for energy property, the energy percentage; and (3) the "employee stock ownership plan" (ESOP) percentage.

The "regular percentage" was 10 percent beginning on January 21, 1975. The "energy percentage" was 10 percent for the period beginning on October 1, 1978, and ending on December 31, 1982, and zero for all other periods. (The energy percentage was five percent instead of 10 percent for property which was financed in whole or in part by the proceeds of an industrial development bond, the interest on which was exempt from tax under Code section 103.) The "ESOP" percentage was one percent for the period beginning on January 21, 1975, and ending on December 31, 1983, and an additional percentage (not in excess of  $\frac{1}{2}$  of 1 percent) for the period beginning on January 1, 1977, and ending on December 31, 1983.

In view of the vulnerability of the economy to possible disruptions in the supply of natural gas and oil, and in view of potential savings of oil and gas through more prudent use, the House Ways and Means Committee believed (House Report 95-496, Part III, page 117) it was essential to encourage industry to conserve oil and natural gas and to convert, when economically and technically feasible, to sources of energy other than oil and natural gas. To encourage greater use of energy sources other than natural gas and to increase energy conservation by business, the special investment credit for energy property was provided for a limited time and was in addition to the regular investment tax credit.

Eligibility for the energy investment credit did not affect the eligibility of the property for the regular investment credit. The rules for applying the regular investment credit also generally applied to the energy investment credit. Therefore, the energy credit applied was absorbed using the first in-first out rules and the credit was permitted to be carried back for three years and carried forward for seven years as with the regular investment credit.

For the period beginning on October 1, 1978, and ending on December 31, 1982, energy property was treated as qualifying as section 38 property and the lodging limitation of section 48(a)(3) did not apply to energy property. Thus, the energy investment credit was available both for energy property installed in connection with a lodging facility that provided accommodations to transients, for which the regular investment credit may be claimed for qualifying property, and for energy property installed in connection with facilities (such as apartment houses) that provided predominantly long-term accommodations for which the regular investment credit was generally not available.

To qualify as energy property eligible for the energy investment credit, the property must have fallen within one of six categories: (1) alternative energy property; (2) solar or wind energy property; (3) specially defined energy property; (4) recycling equipment; (5) shale oil equipment; or (6) equipment for producing natural gas from geopressured brine. Any of the above property qualified if either the construction, reconstruction, or erection of the property was completed by the taxpayer after September 30, 1978, or the property was acquired new by the taxpayer after September 30, 1978, and its use by the taxpayer commenced after that date. In addition, the property must have been depreciable or amortizable and have a useful life of three years or more. The useful life was determined as of the time the property was placed in service.

Alternative energy property was:

(1) a boiler the primary fuel (i.e., more than 50 percent) for which was an alternative substance (Equipment used to modify an existing boiler so that the primary fuel would be an alternate substance also qualified as alternative energy property.);

(2) a burner (including necessary on-site equipment to bring the alternate substance to the burner) for a combustor other than a boiler if the primary fuel for the burner was an alternate substance;

(3) equipment designed to modify existing equipment that used natural gas or oil as a fuel or a feedstock so that the equipment used either a substance other than oil and natural gas, or oil mixed with a substance other than oil and natural gas (where the other substance provided not less than 25 percent of the fuel or feedback);

(4) equipment for converting an alternative substance into a synthetic liquid, gaseous, or solid fuel (other than coke or coke gas);

(5) equipment that used coal (including lignite) as a feedstock for the manufacture of chemicals or other products (other than coke or coke gas);

(6) pollution control equipment required by Federal, State, or local regulations to be installed on or in connection with equipment described in the above five categories;

(7) equipment used for the unloading, transfer, storage, reclaiming from storage, and preparation (including but not limited to washing, crushing, drying, and weighing) at the point of use of an alternate substance for use in equipment described in the above six categories; and

(8) equipment used to produce, distribute, or use energy derived from a geothermal deposit (within the meaning of section 613(e)(3)), but only for electricity generated by geothermal power, up to but not including the electrical transmission stage.

The term "alternate substance" was any substance other than oil and gas and any product of oil and natural gas. The term "pollution control equipment" did not include any equipment that was installed on or in connection with property that, as of October 1, 1978, was using coal (including lignite), and that was required to be installed by Federal, State, or local regulations in effect on October 1, 1978.

The next category of energy property was solar or wind energy property, which was any equipment that used solar or wind energy to generate electricity or to heat, cool, or provide hot water for use in a structure. Generally, a solar energy equipment system involved the transformation of sunlight into heat or electricity through the use of such devices as solar cells or other collectors, storage systems for electricity and for hot air or hot water (including rock beds), heat exchangers to utilize captured and stored energy, and related equipment similarly applied to the windmill or other devices to harness outdoor moving air to provide electricity and other forms of energy and included storage and transfer systems to distribute this energy.

Another category of energy property was recycling equipment. Recycling equipment was any equipment which was used exclusively to sort and prepare solid waste for recycling or in the recycling of solid waste. It included any equipment used in the conversion of solid waste into a fuel or into useful energy such as steam, electricity, or hot water. It did not include any equipment used in a process after the first marketable product was produced, or in the case of recycling iron or steel, any equipment used to reduce the waste to a molten state and in any process thereafter. Any equipment used in the recycling of material that included some virgin material was treated as used exclusively for recycling if the amount of virgin materials was 10 percent or less.

The House Ways and Means Committee intended (House Report 95-496, Part III, page 185) that eligible recycling property include equipment to recycle post-consumer waste materials and industrial fabricating waste material such as trimmings from a metal stamping process. An example of post-consumer waste materials was cans and bottles that had been used by the consumer and recovered. On-site loading and transportation equipment that was integrally related to the sorting, preparation and recycling equipment was also intended to be eligible for the credit. This included, for example, equipment to load solid waste into a sorting or preparation machine and also a conveyor belt system that transports the solid waste materials from separation equipment to another machine in the recycling process. Transportation equipment, such as trucks, which transferred solid wastes between geographically separated sites, such as between collection points and recycling plants, was not recycling equipment.

The terms "alternative energy property," "solar or wind energy property," and "recycling equipment" did not include property that was public utility property.

The term "specially defined energy property" meant: (1) a recuperator; (2) a heat wheel; (3) a regenerator; (4) a heat exchanger; (5) a waste heat boiler; (6) a heat pipe; (7) an automatic energy control system; (8) a turbulator; (9) a preheater; (10) a combustible gas recovery system; (11) an economizer; or (12) any other similar property of a kind specified in Internal Revenue Service regulations, the principal purpose of which was reducing the amount of energy consumed in any existing industrial or commercial process and that was installed in connection with an existing industrial or commercial facility.

When used in connection with a facility, the term "existing" meant that 50 percent or more of the basis of the facility was attributable to construction, reconstruction, or erection before October 1, 1978. When used in connection with an industrial or commercial process, the term "existing" meant that the process was carried on in the facility as of October 1, 1978. The term "industrial" included agricultural.

Shale oil equipment was equipment for producing or extracting oil from oil-bearing shale rock but was not equipment for hydrogenation, refining, or other processes subsequent to retorting.

The last category of energy property was equipment for producing natural gas from geopressured brine, which was equipment used exclusively to extract natural gas.

The limitation on the amount of the allowable investment credit and the carryover and carryback provisions were applied first to the investment credit that was not attributable to the energy percentage; next, to the credit attributable to the application of the energy percentage to energy property which was not solar or wind energy property; and, finally, to the credit attributable to the application of the energy percentage to solar or wind energy property.

The investment credit for energy property for taxable years ending after September 30, 1978, was limited to 100 percent of tax liability reduced by the credit allowed that was not attributable to the energy percentage. The credit for energy property other than solar and wind energy property was nonrefundable, but it was subject to carryback and carryover. The credit for investment in solar and wind energy property acquired or constructed after September 30, 1978, was refundable; therefore, the credit could exceed the taxpayer's tax liability.

Cooperative organizations could claim the energy credits to the same extent they were available to taxpayers in general. If the cooperative could not use any nonrefundable energy credit because of the tax liability limitation that applied to the credit, any excess or unused credits were allocated to the patrons of the cooperative. These amounts are shown as patron's nonrefundable business energy investment credit in table 2.14.

Tables 1.18 and 2.14 provide data on the business energy investment credit for 1978 and 1979, respectively.



## Section 3

## Description of the Sample and Limitations of the Data

This section describes the sample criteria and selection of returns, the method of estimation and sampling variability of the estimates contained in this report.\* It also describes the methodology needed to compute confidence interval estimates as well as some of the limitations of the data.

### SAMPLE SELECTION

The statistics in this report were estimated from a stratified probability sample of corporation income tax returns selected after revenue processing, but before audit (see figures E-1 and E-2). The corporation population from which the sample was drawn contained the following types of returns: Form 1120--U.S. Corporation Income Tax Return; Form 1120L--U.S. Life Insurance Company Income Tax Return; Form 1120M--U.S. Mutual Insurance Company Income Tax Return; Form 1120S--U.S. Small Business Corporation Income Tax Return; Form 1120F--U.S. Income Tax Return of a Foreign Corporation; and Form 1120-DISC--Domestic International Sales Corporation Return. For Income Year 1978, the total sample of 98,582 returns was selected from a population of 2,472,701 returns. For Income Year 1979, the total sample of 80,068 returns was selected from a population of 2,649,146 returns.

All sample returns, except Forms 1120-DISC, were computer-selected at random from the Internal Revenue Service Business Master File system. The ending digits of the Employer Identification Number (EIN) were the basis of this computer selection. During the early part of the sampling period a systematic design was used which directly employed randomly designated ending digits of the EIN; later in the period the EIN's were transformed into pseudo-random numbers before selection. Although Form 1120-DISC returns were not included on the Master File, they were manually designated and selected using a simplified selection procedure based on a systematic design of randomly-designated ending digits of the EIN.

For 1978, the sample rates for return Forms 1120 and 1120S ranged from 0.6 percent to 100 percent, depending upon the year in which sampled, and were based on size of total assets and net income (or deficit). Return Forms 1120L, 1120M, and 1120F were sampled at the 100 percent rate. For return Form 1120-DISC, sample rates were dependent upon the size of total assets of the majority corporate stockholder, and the size of net income (or deficit) of the DISC. The sample rates ranged from 10 percent to 100 percent.

For 1979, the sample rates for Forms 1120 and 1120S ranged initially from 0.6 percent to 100 percent and finally from 0.3 percent to 100 percent, and were based on size of total assets and net income (or deficit) and the presence or absence of selected "financial" principal business activity (PBA) codes. The sampling rates of small and medium size Form 1120

and 1120S returns were reduced by approximately 50 percent during 1980 processing year in order to reduce the cost of processing the sample. Return Form 1120F was initially sampled at the 100 percent rate and finally from a rate of 25 percent to 100 percent. The sampling rate of small and medium size Form 1120F returns was reduced by approximately 75 percent during Processing Year 1980; again, in order to reduce the cost of processing the sample. Return Forms 1120L and 1120M were sampled throughout at the 100 percent rate. Sampling rates for return Form 1120-DISC ranged from 10 percent to 100 percent initially and from 20 percent to 100 percent finally, and were based on the size of total assets of the majority corporate stockholder, and the net income (or deficit) of the Form 1120-DISC. The sampling rate was increased in the small Form 1120-DISC stratum in order to improve the reliability of the published data.

Figures F-1 and F-2 contain the number of returns in the population and sample, by sample class and sampling rates (both prescribed and achieved). A comparison of the total 1978 population (2,472,701) in figure F-1 with the total estimated number of returns (2,376,779) shown in table 1.1 (column 1) will show a difference of 95,922. This difference resulted from returns being excluded because they were: (1) inactive corporation returns that had neither income nor deductions; (2) amended returns not associated with the original returns (the original returns were subject to sampling); (3) tentative returns not associated with the revised returns (the revised returns were subject to sampling); or (4) certain delinquent returns of large corporations for prior years (delinquent returns of small corporations were included). A comparison of the total 1979 population (2,649,146) in figure F-2 with the total estimated number of returns (2,556,794) shown in table 2.1 (column 1) will show a difference of 92,352. This difference was due to the reasons cited above.

### METHOD OF ESTIMATION

The sample returns were weighted to represent the business activities of the total number of corporations engaged in business in the United States and its possessions and filing returns with accounting periods ended as explained earlier. Nearly all of the sampled returns for 1978 were revenue processed during 1978, 1979 or 1980. Nearly all of the sampled returns for 1979 were revenue processed during 1979, 1980 or 1981.

Sampling weights were obtained by dividing the number of returns filed per sample class by the number of achieved sample returns for the same sample class or stratum. Where the sample class was subdivided into two separate sample classes due to the change in theoretical sampling rates, additional weights were computed for both the new and the old sample

\*Homer Jones designed the sample and monitored and coordinated its implementation. He is a member of the Corporation Operations Section (Joel R. Stubbs, Chief).

Figure E-1--Corporation Returns Sample Selection Classes, Income Year 1978

Sample class number, by type of return and by year sampled			Sample selection criteria <sup>1</sup>	
Before 1979	During 1979	After 1979	Size of total assets	Size of net income or deficit
(1)	(2)	(3)	(4)	(5)
Forms 1120 and 1120S				
	1a.....	1a <sup>2</sup> ....	Under \$50,000,000.....	Any amount.
	1b.....	1b <sup>2</sup> ....	\$50,000,000 or more.....	Any amount.
2a.....	2a.....	2b.....	Under \$50,000.....	Under \$25,000.
3a.....	3a.....	3b.....	\$50,000 under \$100,000.....	\$25,000 under \$50,000.
4a.....	4a.....	4b.....	\$100,000 under \$250,000.....	\$50,000 under \$100,000.
5a.....	5a.....	5b.....	\$250,000 under \$500,000.....	\$100,000 under \$250,000.
6a.....	6a.....	6b.....	\$500,000 under \$1,000,000.....	\$250,000 under \$500,000.
7a.....	7a.....	7b.....	\$1,000,000 under \$2,500,000.....	\$500,000 under \$1,000,000.
8a.....	8b.....	8b.....	\$2,500,000 under \$5,000,000.....	\$1,000,000 under \$1,500,000.
9.....	9.....	9.....	\$5,000,000 under \$10,000,000.....	\$1,500,000 under \$2,500,000.
10.....	.....	.....	\$10,000,000 or more <i>and not</i> controlled by name..	\$2,500,000 or more.
	11 <sup>3</sup> ....	11 <sup>3</sup> ....	\$10,000,000 under \$25,000,000.....	\$2,500,000 under \$5,000,000.
	12a <sup>4</sup> ...	12a <sup>4</sup> ...	\$10,000,000 or more <i>and not</i> controlled by name..	\$2,500,000 or more.
	12a <sup>3</sup> ...	12a <sup>3</sup> ...	\$25,000,000 or more <i>and not</i> controlled by name..	\$5,000,000 or more.
12b.....	12b <sup>4</sup> ...	12b <sup>4</sup> ...	\$10,000,000 or more <i>and</i> controlled by name.....	\$2,500,000 or more.
	12b <sup>3</sup> ...	12b <sup>3</sup> ...	\$25,000,000 or more <i>and</i> controlled by name.....	\$5,000,000 or more.
Forms 1120L and 1120M				
13a....	13a....	13a....	Any amount <i>and not</i> controlled by name.....	Any amount.
13b....	13b....	13b....	Any amount <i>and</i> controlled by name.....	Any amount.
Form 1120F				
14a <sup>5</sup> ...	14a....	14a....	Any amount.....	Any amount <i>and not</i> controlled by name.
14b <sup>5</sup> ...	14b....	14b....	Any amount.....	Any amount <i>and</i> controlled by name.
Form 1120-DISC				
15a....	15a....	15b....	Under \$50,000,000 <sup>6</sup> .....	Under \$200,000.
16.....	16.....	16.....	\$50,000,000 under \$250,000,000 <sup>6</sup> .....	\$200,000 under \$1,000,000.
17.....	17.....	17.....	\$250,000,000 or more <sup>6</sup> .....	\$1,000,000 or more.

<sup>1</sup>Returns were classified according to either size of total assets, or size of net income or deficit, whichever made the sample class number higher. EXAMPLE: A Form 1120 return with total assets of \$750,000 and having net income of \$75,000 would be in sample class 6a or 6b rather than sample class 4a or 4b.

<sup>2</sup>Returns with Form 5735, "Computation of Possessions Corporation Tax Credit Allowed Under Section 936," attached.

<sup>3</sup>Returns classified in the following financial industries: banks including mutual savings banks and bank holding companies, personal and business credit institutions, other insurance companies, and regulated investment companies.

<sup>4</sup>Returns classified in nonfinancial industries.

<sup>5</sup>Certain returns with income not effectively connected with a U.S. business were included in the sample to facilitate Form 1120F selection, although not processed for the sample.

<sup>6</sup>Size of total assets of majority corporate stockholders.



Figure E-2--Corporation Returns Sample Selection Classes, Income Year 1979

Sample class number, by type of return and by year sampled			Sample selection criteria <sup>1</sup>	
Before 1980	During 1980	After 1980	Size of total assets	Size of net income or deficit
(1)	(2)	(3)	(4)	(5)
<b>Forms 1120 and 1120S</b>				
1a <sup>2</sup> 4..	1a <sup>2</sup> 4..	1a <sup>2</sup> 4..	Under \$50,000,000.....	Any amount.
1a <sup>2</sup> 3..	1a <sup>2</sup> 3..	1a <sup>2</sup> 3..	Under \$100,000,000.....	Any amount.
1b <sup>2</sup> 4..	1b <sup>2</sup> 4..	1b <sup>2</sup> 4..	\$50,000,000 or more.....	Any amount.
1b <sup>2</sup> 3..	1b <sup>2</sup> 3..	1b <sup>2</sup> 3..	\$100,000,000 or more.....	Any amount.
2a.....	2a 2b..	2b.....	Under \$50,000.....	Under \$25,000.
3a.....	3a 3b..	3b.....	\$50,000 under \$100,000.....	\$25,000 under \$50,000.
4a.....	4a 4b..	4b.....	\$100,000 under \$250,000.....	\$50,000 under \$100,000.
5a.....	5a 5b..	5b.....	\$250,000 under \$500,000.....	\$100,000 under \$250,000.
6a.....	6a 6b..	6b.....	\$500,000 under \$1,000,000.....	\$250,000 under \$500,000.
7a.....	7a 7b..	7b.....	\$1,000,000 under \$2,500,000.....	\$500,000 under \$1,000,000.
8a.....	8a 8b..	8b.....	\$2,500,000 under \$5,000,000.....	\$1,000,000 under \$1,500,000.
9a.....	9a 9b..	9b.....	\$5,000,000 under \$10,000,000.....	\$1,500,000 under \$2,500,000.
10 <sup>3</sup> ....	10 <sup>3</sup> ....	10 <sup>3</sup> ....	\$10,000,000 under \$25,000,000.....	\$2,500,000 under \$5,000,000.
11a <sup>4</sup> ....	11a <sup>4</sup> ....	11a <sup>4</sup> ....	\$10,000,000 or more <i>and not</i> controlled by name..	\$2,500,000 or more.
11a <sup>3</sup> ....	11a <sup>3</sup> ....	11a <sup>3</sup> ....	\$25,000,000 or more <i>and not</i> controlled by name..	\$5,000,000 or more.
11b <sup>4</sup> ....	11b <sup>4</sup> ....	11b <sup>4</sup> ....	\$10,000,000 or more <i>and</i> controlled by name.....	\$2,500,000 or more.
11b <sup>3</sup> ....	11b <sup>3</sup> ....	11b <sup>3</sup> ....	\$25,000,000 or more <i>and</i> controlled by name.....	\$5,000,000 or more.
<b>Forms 1120L and 1120M</b>				
12a.....	12a.....	12a.....	Any amount <i>and not</i> controlled by name.....	Any amount.
12b.....	12b.....	12b.....	Any amount <i>and</i> controlled by name.....	Any amount.
<b>Form 1120F</b>				
13a.....	13a.....	.....	Any amount.....	Under \$2,500,000.
		13b <sup>4</sup> ...	Under \$10,000,000.....	Any amount.
		13b <sup>3</sup> ...	Under \$25,000,000.....	Any amount.
		13c <sup>4</sup> ...	\$10,000,000 under \$50,000,000.....	Any amount.
		13c <sup>3</sup> ...	\$25,000,000 under \$100,000,000.....	Any amount.
13b.....	13b.....	.....	Any amount.....	\$2,500,000 or more.
		13d <sup>4</sup> ...	\$50,000,000 or more.....	Any amount.
		13d <sup>3</sup> ...	\$100,000,000 or more.....	Any amount.
<b>Form 1120-DISC</b>				
14a.....	14b.....	14b.....	Under \$50,000,000 <sup>5</sup> .....	Under \$200,000.
15.....	15.....	15.....	\$50,000,000 under \$250,000,000 <sup>5</sup> .....	\$200,000 under \$1,000,000.
16.....	16.....	16.....	\$250,000,000 or more <sup>5</sup> .....	\$1,000,000 or more.

<sup>1</sup>Returns were classified according to either size of total assets, or size of net income or deficit, whichever made the sample class number higher. EXAMPLE: A Form 1120 return with total assets of \$750,000 and having net income of \$75,000 would be in sample class 6a or 6b rather than sample class 4a or 4b.

<sup>2</sup>Returns with Form 5735, "Computation of Possessions Corporation Tax Credit Allowed Under Section 936," attached.

<sup>3</sup>Returns classified in the following financial industries: banks including mutual savings banks and bank holding companies, personal and business credit institutions, other insurance companies, and regulated investment companies.

<sup>4</sup>Returns classified in nonfinancial industries.

<sup>5</sup>Size of total assets of majority corporate stockholders.

Figure F-1--Corporation Returns: Number Filed, Number in Sample, Prescribed and Achieved Sampling Rates, by Sample Class Number, Income Year 1978

Sample class number	Number of returns		Sampling rates (Percent)	
	Estimated population	Sample size	Prescribed	Achieved
	(1)	(2)	(3)	(4)
Total...	2,472,701	98,582	-	-
1a.....	588	588	100.00	100.00
1b.....	58	58	100.00	100.00
2a.....	941,950	5,502	0.60	0.58
2b.....	68,652	401	0.60	0.58
3a.....	355,096	2,805	0.80	0.79
3b.....	21,267	168	0.80	0.79
4a.....	432,252	5,567	1.30	1.29
4b.....	23,838	307	1.30	1.29
5a.....	246,530	7,331	3.00	2.97
5b.....	14,225	423	3.00	2.97
6a.....	152,653	8,210	5.40	5.38
6b.....	8,943	481	5.40	5.38
7a.....	98,582	13,535	14.00	13.73
7b.....	6,723	923	14.00	13.73
8a.....	31,949	5,719	18.00	17.90
8b.....	2,961	530	18.00	17.90
9.....	19,022	6,699	36.00	35.22
10.....	343	343	100.00	100.00
11.....	4,490	1,993	50.00	44.39
12a.....	19,834	19,834	100.00	100.00
12b.....	7,243	7,243	100.00	100.00
13a.....	2,592	2,592	100.00	100.00
13b.....	450	450	100.00	100.00
14a.....	4,672	4,672	100.00	100.00
14b.....	92	92	100.00	100.00
15a.....	4,082	420	10.00	10.29
15b.....	1,200	184	20.00	15.33
16.....	1,464	562	40.00	38.39
17.....	950	950	100.00	100.00

classes. During the transition from one sampling rate to another efforts were made to prevent returns sampled at the older rate from being weighted at all if they were designated for random removal. An exception was made for several thousand returns which had already been completely edited and which were converted to a weight of 1.00 through artificially recoding their sample class number to that of the 100 percent sampling rate classes. In effect, these returns were allowed to represent only themselves rather than being dropped from the sample.

Sampling weights were converted to "integer weighting factors" and were applied to each sample return. For example, if a factor of 12.85 was computed for a stratum, 85 percent of the returns in the stratum were systematically given a weighting factor of 13 and 15 percent a weighting factor of 12.

Whenever a weighted frequency is less than 3, the estimate is combined or deleted in order to avoid disclosure of information about specific corporations. These combinations or deletions are indicated by a double asterisk (\*\*). In all other cases, when an estimate is based on fewer than 10 returns, not all of them selected at the 100 percent rate, the estimate is considered statistically unreliable and is indicated

Figure F-2--Corporation Returns: Number Filed, Number in Sample, Prescribed and Achieved Sampling Rates, by Sample Class Number, Income Year 1979

Sample class number	Number of returns		Sampling rates (Percent)	
	Estimated population	Sample size	Prescribed	Achieved
	(1)	(2)	(3)	(4)
Total...	2,649,146	80,068	-	-
1a.....	642	642	100.00	100.00
1b.....	54	54	100.00	100.00
2a.....	171,003	934	0.60	0.55
2b.....	893,370	2,649	0.30	0.30
3a.....	67,582	505	0.80	0.75
3b.....	334,532	1,328	0.40	0.40
4a.....	82,058	958	1.30	1.17
4b.....	407,821	2,679	0.65	0.66
5a.....	45,804	1,262	3.00	2.76
5b.....	237,866	3,472	1.50	1.46
6a.....	271,084	1,373	5.40	5.07
6b.....	150,737	4,123	2.70	2.74
7a.....	15,332	1,956	14.00	12.76
7b.....	102,647	7,101	7.00	6.92
8a.....	4,029	675	18.00	16.75
8b.....	35,442	3,162	9.00	8.92
9a.....	1,548	537	36.00	34.69
9b.....	18,105	3,439	18.00	18.99
10.....	4,347	2,207	50.00	50.77
11a.....	25,845	25,845	100.00	100.00
11b.....	5,110	5,110	100.00	100.00
12a.....	1,511	1,511	100.00	100.00
12b.....	1,691	1,691	100.00	100.00
13a.....	3,184	3,184	100.00	100.00
13b.....	3,040	752	25.00	24.74
13c.....	6	6	100.00	100.00
13d.....	112	112	100.00	100.00
14a.....	103	12	10.00	11.65
14b.....	5,594	987	20.00	17.64
15.....	1,815	670	40.00	36.91
16.....	1,132	1,132	100.00	100.00

by a single asterisk (\*) to the left of the data items. (Asterisked estimates should normally be used only in combination with other tabulated values.)

The statistical reliability of each cell in the tables was determined independently from other cells. Accordingly, it is possible to see a total figure with an asterisk (\*) indicating statistical unreliability and yet a subset of that total not so identified. For example, an industrial division figure could be based on 7 returns, of which 3 were not sampled at the 100 percent rate (and thus receive an asterisk), and a major group in this division could have 4 returns all sampled at the 100 percent rate and thus not receive an asterisk.

In the tables, a dash in place of a frequency or an amount indicates that: (1) if returns were sampled at a rate of 100 percent, no returns had the particular characteristic; or (2) if returns were sampled at a rate less than 100 percent, either no returns in the population had the characteristic or the characteristic was so rare that it did not appear on any sample returns.

## 1979 WEIGHTING ADJUSTMENT

The Tax Year 1979 sample as originally planned did not anticipate any subsampling operations to alter the stated sample size; however, due to budget constraints a 50 percent subsample was overlaid on the unprocessed portion of the original sample so that fewer returns would be processed. During the transition period for this subsample, it was decided that all returns processed after a given cycle (week) would be removed from the sample and discarded, even though fully edited. However, it was finally decided to keep any such edit sheets for these returns that had been already prepared after the stated cycle, but to transfer them from the strata in which they had been sampled to the strata containing the 100 percent sampled returns, the strata which contained the very large returns. As a result of this transfer of sample codes, these returns were therefore allowed to represent only themselves, rather than tens or hundreds of nonsampled returns in their original sample codes.

The sampling ratios (or weights) for the original sample codes should be different depending on whether the prematurely edited returns designated for removal from the subsample were eliminated from the sample altogether or were merely transferred to the 100 percent sampling rate sample code.

The present report correctly made the adjustment to compensate for the shortage of very large returns, but did not adequately make the adjustment for the overage of small returns in the very large return sample strata, although it followed the "specified-in-advance" procedure of absorbing all changes in the very large return strata in the next to large size strata (basically returns with assets of \$5 million under \$10 million). The present report therefore should be corrected to some extent, but the amount is not considered to be excessive.

Shown below are comparisons of selected estimates shown in this report and those developed later using an alternate method. The figures are for all returns of active corporations for 1979.

1979 Active Returns	OVERALL ESTIMATES	
	Present Report	Alternate Method
	(\$ in Billions)	
Total Number of Returns....	2,556,794	2,557,891
Total Assets.....	6,835.1	6,842.9
Total Receipts.....	5,598.7	5,609.6
Business Receipts.....	5,136.1	5,146.8
Total Deductions.....	5,315.7	5,326.1
Cost of Sales and Operations	3,709.7	3,718.0
Total Receipts Less Total Deductions.....	283.0	283.5
Net Income Less Deficit....	284.6	285.2
Income Subject to Tax.....	279.4	280.0
Income Tax, Total.....	120.0	120.3

The estimates in the sample class with returns with total assets of \$5 million under \$10 million were the most changed and are shown below.

## ASSETS \$5 MILLION UNDER \$10 MILLION

1979 Active Returns	Present Report	Alternate Method
	(\$ in Billions)	
Total Number of Returns.....	20,686	21,783
Total Assets.....	144.1	151.9
Total Receipts.....	244.9	255.7
Business Receipts.....	236.1	246.4
Total Deductions.....	236.7	247.1
Cost of Sales and Operations	183.1	191.1
Total Receipts Less Total Deductions.....	8.2	8.6
Net Income Less Deficit.....	8.1	8.5
Income Subject to Tax.....	8.5	8.9
Income Tax, Total.....	3.6	3.8

For more information see the forthcoming paper by Homer W. Jones, Jr. and H. Lock Oh, "Post-Stratification: A Full Scale Study on the 1979 IRS Corporation Statistics of Income Program," to be presented at the annual meetings of the American Statistical Association to be held August 1982.

## SAMPLING VARIABILITY

The particular sample used in this study is one of a large number of possible samples that could have been selected using the same sample design. Estimates derived from the different samples would differ from each other. The deviation of a sample estimate from the average of all possible samples is called the standard error. The sampling variability of an estimate is a measure of the variation among the estimates from the possible samples and thus is a measure of the precision with which an estimate from a particular sample approximates the average result of all possible samples.

The coefficient of variation is the standard error of the estimate expressed as a percent of the estimate. The standard error, when added to and subtracted from the value of the estimate, provides upper and lower limits within which approximately two out of three estimates derived from similarly selected samples would be expected to fall.

The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that the interval includes the average result of all possible different samples. For example, in table 1.2, column 64, the number of returns for business services is shown as 138,903. A coefficient of variation of 3.5 percent for this frequency is obtained by using column 7 of figure G-1 and interpolating as indicated in the footnote in figure G-1.



Figure G-1--Coefficient of Variation of Estimated Number of Returns, Income Year 1978

Estimated number of returns	Tables showing the classification by size of total assets						Tables not showing classification by size of total assets	Form 1120-DISC table
	Under \$100,000 <sup>1</sup>	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000 <sup>2</sup>		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	(Percent) <sup>3</sup>							
200.....	92.25	61.91	40.39	29.66	17.72	9.59	92.25	20.88
300.....	75.32	50.55	32.98	24.21	14.47	7.83	75.32	17.05
400.....	65.23	43.77	28.56	20.97	12.53	6.78	65.23	14.76
500.....	58.34	39.15	25.55	18.76	11.21	6.07	58.34	13.21
600.....	53.26	35.74	23.32	17.12	10.23	5.54	53.26	12.06
700.....	49.31	33.09	21.59	15.85	9.47	5.13	49.31	11.16
800.....	46.12	30.95	20.20	14.83	8.86	4.80	46.12	10.44
900.....	43.49	29.18	19.04	13.98	8.35	4.52	43.49	9.84
1,000.....	41.26	27.69	18.06	13.26	7.92	4.29	41.26	9.34
1,200.....	37.66	25.27	16.49	12.11	7.23	3.92	37.66	8.52
1,400.....	34.87	23.40	15.27	11.21	6.70	3.63	34.87	7.89
1,600.....	32.62	21.89	14.28	10.49	6.26	3.39	32.62	7.38
1,800.....	30.75	20.64	13.46	9.89	5.91	3.20	30.75	6.96
2,000.....	29.17	19.58	12.77	9.38	5.60	3.03	29.17	6.60
2,500.....	26.09	17.51	11.42	8.39	5.01	2.71	26.09	5.91
3,000.....	23.82	15.98	10.43	7.66	4.58	2.48	23.82	5.39
4,000.....	20.63	13.84	9.03	6.63	3.96	2.14	20.63	4.67
5,000.....	18.45	12.38	8.08	5.93	3.54	1.92	18.45	4.18
7,000.....	15.59	10.46	6.83	5.01	3.00	1.62	15.59	3.53
10,000.....	13.05	8.75	5.71	4.19	2.51	1.36	13.05	2.95
15,000.....	10.65	7.15	4.66	3.42	2.05	1.11	10.65	( <sup>4</sup> )
25,000.....	8.25	5.54	3.61	2.65	1.58	0.86	8.25	( <sup>4</sup> )
35,000.....	6.97	4.68	3.05	2.24	1.34	( <sup>4</sup> )	6.97	( <sup>4</sup> )
50,000.....	5.83	3.92	2.55	1.88	1.12	( <sup>4</sup> )	5.83	( <sup>4</sup> )
75,000.....	4.76	3.20	2.09	1.53	0.92	( <sup>4</sup> )	4.76	( <sup>4</sup> )
100,000.....	4.13	2.77	1.81	1.33	0.79	( <sup>4</sup> )	4.13	( <sup>4</sup> )
150,000.....	3.37	2.26	1.47	1.08	0.65	( <sup>4</sup> )	3.37	( <sup>4</sup> )
250,000.....	2.61	1.75	1.14	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	2.61	( <sup>4</sup> )
500,000.....	1.84	1.24	0.81	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	1.84	( <sup>4</sup> )
700,000.....	1.56	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	1.56	( <sup>4</sup> )
1,000,000.....	1.30	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	1.30	( <sup>4</sup> )
1,500,000.....	1.07	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	1.07	( <sup>4</sup> )
2,000,000.....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	0.92	( <sup>4</sup> )

<sup>1</sup>Includes zero assets and assets not reported.

<sup>2</sup>Coefficient of variation is zero for returns with total assets of \$10,000,000 or more.

<sup>3</sup>This figure should normally not be used for estimates designated by a single asterisk (\*) because the sample is too small to yield reliable confidence interval estimates.

<sup>4</sup>Not applicable because the estimated number of returns was greater than the population estimates.

NOTE: Method of interpolation: Divide the estimate by 100, determine the coefficient of variation in the proper column, and then divide the result by 10. EXAMPLE: To find the coefficient of variation for an estimate of 60,000 returns having total assets of \$250,000 under \$500,000, divide by 10 the coefficient of variation of 23.32 percent shown for 600 returns (60,000 divided by 100) to obtain 2.33 percent.

The standard error of the estimate SE(X) is needed to construct the interval estimate; it is the product of the estimate, X, and its coefficient of variation, CV(X):

$$\begin{aligned}
 SE(X) &= X \cdot CV(X) \\
 &= 138,903 \cdot (0.035) \\
 &= 4,862 \text{ returns.}
 \end{aligned}$$

The SE(X) value is then subtracted from and added to the estimate X to construct a 68 percent confidence interval estimate. The interval is computed using this formula:

$$(X - SE(X)) \leq Y \leq (X + SE(X))$$

with 68 percent confidence, where Y is the population

value estimated by X. Based on the data for this example, the interval estimate is from  $(138,903 - 4,862) = 134,041$  returns to  $(138,903 + 4,862) = 143,765$  returns. A conclusion that the average estimate of the number of returns lies within an interval computed in this way would be correct for approximately two-thirds (68 percent) of all possible similarly selected different samples. To obtain this interval estimate with 95 percent confidence limits, multiply the SE(X) value by two. (For this data, the resulting interval would be from 129,179 returns to 148,627 returns).

The coefficients of variation by industrial classification are shown in tables 1.1 and 2.1 for 1978 and 1979, respectively. Coefficients of variation for estimates in tables classified by size of total assets are shown in figures G-1 and G-2 for 1978 and 1979, respectively.

Figure G-2--Coefficient of Variation of Estimated Number of Returns, Income Year 1979

Estimated number of returns	Tables showing the classification by size of total assets						Tables not showing classification by size of total assets	Form 1120-DISC table
	Under \$100,000 <sup>1</sup>	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000 <sup>2</sup>		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	(Percent) <sup>3</sup>							
200.....	99.99	65.06	42.01	30.60	18.49	14.59	99.99	19.47
300.....	99.99	53.12	34.30	24.99	15.10	11.92	99.99	15.90
400.....	91.69	46.01	29.70	21.64	13.08	10.32	91.69	13.77
500.....	82.01	41.15	26.57	19.35	11.70	9.23	82.01	12.31
600.....	74.86	37.56	24.25	17.67	10.68	8.43	74.86	11.24
700.....	69.31	34.78	22.45	16.36	9.89	7.80	69.31	10.41
800.....	64.83	32.53	21.00	15.30	9.25	7.30	64.83	9.73
900.....	61.12	30.67	19.80	14.43	8.72	6.88	61.12	9.18
1,000.....	57.99	29.10	18.79	13.69	8.27	6.53	57.99	8.71
1,200.....	52.93	26.56	17.15	12.49	7.55	5.96	52.93	7.95
1,400.....	49.01	24.59	15.88	11.57	6.99	5.52	49.01	7.36
1,600.....	45.84	23.00	14.85	10.82	6.54	5.16	45.84	6.88
1,800.....	43.22	21.69	14.00	10.20	6.16	4.86	43.22	6.49
2,000.....	41.00	20.57	13.28	9.68	5.85	4.62	41.00	6.16
2,500.....	36.67	18.40	11.88	8.66	5.23	4.13	36.67	5.51
3,000.....	33.48	16.80	10.85	7.90	4.77	3.77	33.48	5.03
4,000.....	28.99	14.55	9.39	6.84	4.14	3.26	28.99	4.35
5,000.....	25.93	13.01	8.40	6.12	3.70	2.92	25.93	3.89
7,000.....	21.92	11.00	7.10	5.17	3.13	2.47	21.92	3.29
10,000.....	18.34	9.20	5.94	4.33	2.62	2.06	18.34	2.75
15,000.....	14.97	7.51	4.85	3.53	2.14	1.69	14.97	(4)
25,000.....	11.60	5.82	3.76	2.74	1.65	1.31	11.60	(4)
35,000.....	9.80	4.92	3.18	2.31	1.40	(4)	9.80	(4)
50,000.....	8.20	4.11	2.66	1.94	1.17	(4)	8.20	(4)
75,000.....	6.70	3.36	2.17	1.58	0.95	(4)	6.70	(4)
100,000.....	5.80	2.91	1.88	1.37	0.83	(4)	5.80	(4)
150,000.....	4.73	2.38	1.53	1.12	0.68	(4)	4.73	(4)
250,000.....	3.67	1.84	1.19	0.87	(4)	(4)	3.67	(4)
500,000.....	2.59	1.30	0.84	(4)	(4)	(4)	2.59	(4)
700,000.....	2.19	(4)	(4)	(4)	(4)	(4)	2.19	(4)
1,000,000.....	1.83	(4)	(4)	(4)	(4)	(4)	1.83	(4)
1,500,000.....	1.50	(4)	(4)	(4)	(4)	(4)	1.50	(4)
2,000,000.....	(4)	(4)	(4)	(4)	(4)	(4)	1.30	(4)

<sup>1</sup>Includes zero assets and assets not reported.<sup>2</sup>Coefficient of variation is zero for returns classified in nonfinancial industries with total assets of \$10,000,000 or more. Coefficient of variation is zero for returns classified in financial industries with total assets of \$25,000,000 or more. Financial industries were: banks including mutual savings banks and bank holding companies, personal and business credit institutions, other insurance companies, and regulated investment companies. Financial returns with total assets of \$10,000,000 under \$25,000,000 are not shown due to limited usefulness.<sup>3</sup>This figure should normally not be used for estimates designated by a single asterisk (\*) because the sample is too small to yield reliable confidence interval estimates.<sup>4</sup>Not applicable because the estimated number of returns was greater than the population estimates.

NOTE: Method of interpolation: Divide the estimate by 100, determine the coefficient of variation in the proper column, and then divide the result by 10. EXAMPLE: To find the coefficient of variation for an estimate of 60,000 returns having total assets of \$250,000 under \$500,000, divide by 10 the coefficient of variation of 24.25 percent shown for 600 returns (60,000 divided by 100) to obtain 2.43 percent.



## SAMPLE MANAGEMENT

The total (i.e., sample and population counts) for the number of returns filed were derived from computer counts of corporation returns (other than Form 1120-DISC) produced at the eleven Internal Revenue Service processing centers. These counts were verified during statistical processing to minimize the loss of data. Because of their significant impact on the statistics, the returns of the largest corporations were controlled on a name basis to assure their inclusion.

## ROUNDING AND MONEY AMOUNTS

To improve the accuracy over previous years, data were abstracted in whole dollars for all types of returns. Amounts of \$500 or more were rounded to the next thousand at the table level instead of at the record level, e.g., \$500 was entered as \$1,000 if the weighted values of all records in the cell gave a total of \$500. Amounts under \$500 were entered into the unweighted records, but if their weighted total was under \$500, an indicator was entered instead to account for the presence of an amount greater than zero, but under \$500.

## INDUSTRIAL CLASSIFICATION

Among the several classifications used in this report, tax return data are classified according to the principal business activity of the corporation. A return was classified in the "minor" industry which accounted for the largest portion of its total receipts, even though the return may have been for a company engaged in many business activities or may have been a consolidated return filed for the members of an affiliated group of corporations. Minor industries were aggregated into major industries, which in turn were aggregated into industrial divisions.

Returns in the statistical sample were examined during statistical processing, and each was assigned a code classifying it by industry. In determining the code, the description of the business activity given by the taxpayer; the taxpayer-assigned code; the sources of the taxpayer's income; the nature of the expenses; and where necessary, information from various reference books, were considered. Year-to-year changes in the classification of specific corporations could have resulted from mergers and other changes in organization or from the filing of consolidated returns, as well as from changes in the principal source of total receipts.

The industries used in this report generally conform with the Enterprise Standard Industrial Classification (ESIC) authorized by the Office of Information and Regulatory Affairs in the Office of Management and Budget. This classification, which was designed to classify companies (which are often engaged in more than one industrial activity), follows closely along the line of the more detailed Standard Industrial Classification Manual (SIC), which was designed to classify separate "establishments" rather than the companies of which establishments were parts. Some departures from the ESIC system were made for Statistics of Income (SOI) for the finance industries in order to reflect particular provisions of the Internal Revenue Code. For a comparison of the ESIC and SIC industries with the SOI industries used in this report see the complete report, Statistics of Income—1977, Corporation Income Tax Returns.

More detailed statistics are available in Publication 1053, Source Book of Statistics of Income for the industries shown in tables 1.1 and 2.1 of this report. A general description of the Source Book, including ordering information, is available from the

Director, Statistics of Income Division, Internal Revenue Service, Washington, DC 20224. Information concerning a magnetic-tape version of the Source Book is also contained in this general description.

## CONSOLIDATED RETURNS

The number of returns in the population differs from the total number of profit-oriented corporations in existence chiefly because the Internal Revenue Code permitted single returns presenting the combined financial data of an entire "affiliated group" to be filed by parent corporations. For 1978 there were 48,954 consolidated corporation returns accounting for \$3.9 trillion of the \$6.0 trillion (or about 65 percent) of 1978 total assets for all corporations (see table 1.11). For 1979 there were 53,197 consolidated corporation returns accounting for \$4.5 trillion of the \$6.8 trillion (or about 66 percent) of the 1979 total assets for all corporations (see table 2.11).

Although consolidated returns usually reported more than one kind of industrial activity, each return was assigned a single industry classification based on the corporations' principal business activity. Basically, a return was classified into the Statistics of Income (SOI) industry which accounted for the largest portion of its total receipts.

The fact that a consolidated corporation return was assigned a single SOI industry code constitutes a limitation of the data. Some consolidated (and nonconsolidated) corporations were engaged in many types of business activities, so some of the data in this report are not really related to the industrial activity under which they are shown.

## OTHER DATA LIMITATIONS

Various techniques were used to control and improve the quality of the data during the processing stages. During sampling, in order to make sure that the sample was being selected according to the sample design, a comparison was made between the expected and realized number of sample returns in each of the service centers. Any differences were reconciled by follow-up. During statistical editing, editors were instructed to correct tax return errors wherever possible through reference to other entries on the return or accompanying schedules and to adjust data to achieve consistency in statistical definitions.

The quality of the editing was controlled by means of a continuous subsampling verification system at each processing center which resulted in 46 percent of the documents for 1978 and 41 percent of the documents for 1979 being reviewed. (All errors found in the review were corrected.) The review ranged from all of the very large and complex returns to nearly one-third of the small and relatively simple returns. In addition, the Statistics of Income Division in the National Office independently reprocessed about 2 percent of the returns for 1978 and 1 percent of the returns for 1979 to evaluate the quality of the editing after verification and to determine adherence to processing instructions. Greater emphasis was placed on the largest and most complex returns. Results showed that, overall, 99.9 percent of the statistical codes and 99.7 percent of the money amounts were entered correctly. No discernible pattern was found in the errors uncovered. (However, see the error discussed under "Business Receipts.") Transcription of the data was subjected to 100 percent verification.

Prior to tabulation numerous computer tests were applied to each return record to check for inconsistencies. Prior to publication, all statistics

and tables were reviewed for accuracy and reasonableness, in light of the provisions of tax laws, taxpayer reporting variations and limitations, economic conditions, and comparability with other statistical series.

Part of the review process involved extensive comparison of the current year data with that of the prior year. On occasion, this review reveals discrepancies or irregularities in previously published data. When adjustments or additional limitations of published data are deemed appropriate, the Statistics of Income Division will provide data users with additional information to place published data in proper perspective. Future editions of Statistics of Income publications will be used to disseminate such information.





## Part 1

### Tables for 1978

#### INCOME AND FINANCIAL DATA BY INDUSTRY OR SIZE

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## RETURNS OF ACTIVE CORPORATIONS

**Table 1.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Minor industry	Number of returns		Total receipts		Business receipts	Cost of sales and operations	Net income (less deficit)	Net income	Income subject to tax	Total income tax
	Total	With net income	All returns	Returns with net income						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>Total returns of active corporations</b> .....	<b>2,378,779</b>	<b>1,523,848</b>	<b>4,714,602,615</b>	<b>4,204,361,186</b>	<b>4,353,704,519</b>	<b>3,113,421,507</b>	<b>246,867,473</b>	<b>274,519,721</b>	<b>238,631,773</b>	<b>107,888,445</b>
<b>Agriculture, forestry, and fishing</b> .....	<b>89,971</b>	<b>44,607</b>	<b>41,417,558</b>	<b>32,817,972</b>	<b>39,222,456</b>	<b>29,140,482</b>	<b>1,296,962</b>	<b>2,202,179</b>	<b>1,386,949</b>	<b>485,580</b>
Agricultural production.....	50,242	32,072	32,638,950	25,570,579	30,907,475	23,177,852	1,043,847	1,823,989	1,114,539	392,504
Agricultural services (except veterinarians), forestry, fishing, hunting, and trapping.....	19,729	12,735	8,578,608	7,247,393	8,314,981	5,962,630	253,115	378,190	272,410	93,076
<b>Mining</b> .....	<b>19,124</b>	<b>11,148</b>	<b>94,706,062</b>	<b>81,987,756</b>	<b>90,538,979</b>	<b>44,583,576</b>	<b>27,709,582</b>	<b>29,582,865</b>	<b>29,041,850</b>	<b>13,837,808</b>
Metal mining.....	1,059	128	5,539,186	4,045,938	4,883,839	3,530,165	305,206	482,207	420,317	172,480
Iron ores.....	13	7	1,557,195	1,013,317	1,466,034	1,137,390	9,911	64,294	47,744	23,783
Copper, lead and zinc, gold and silver ores.....	515	21	3,323,156	2,467,205	2,817,832	2,044,295	313,037	*371,035	*367,438	145,096
Other metal mining.....	531	100	658,836	565,416	599,974	348,480	-17,742	46,878	5,135	*3,601
Coal mining.....	3,268	1,369	12,063,687	6,061,823	11,549,253	8,200,747	-299,414	421,073	340,596	173,055
Oil and gas extraction.....	11,701	7,617	69,944,041	66,220,194	67,230,056	28,565,083	27,324,462	28,205,862	27,872,942	13,299,693
Crude petroleum, natural gas, and natural gas liquids.....	5,162	3,119	57,864,924	55,470,729	56,093,039	22,068,320	26,017,684	26,675,663	26,530,281	12,692,364
Oil and gas field services.....	6,539	4,498	12,079,117	10,749,465	11,137,019	6,496,764	1,306,778	1,530,199	1,342,661	607,330
Nonmetallic minerals, except fuels.....	3,096	2,034	7,159,148	5,659,801	6,875,828	4,287,581	379,327	473,723	407,995	192,580
Dimension, crushed, and broken stone, sand and gravel.....	2,500	1,724	4,971,469	4,588,511	4,763,656	3,055,677	341,788	393,702	337,198	152,554
Other nonmetallic minerals, except fuels.....	596	310	2,187,679	1,071,289	2,112,173	1,231,904	37,539	80,021	70,797	40,026
<b>Construction</b> .....	<b>228,657</b>	<b>148,712</b>	<b>216,710,160</b>	<b>176,400,090</b>	<b>211,618,796</b>	<b>171,491,603</b>	<b>5,876,327</b>	<b>8,056,979</b>	<b>6,420,188</b>	<b>2,427,708</b>
General building contractors and operative builders.....	94,082	57,911	94,926,931	75,548,328	92,368,848	79,640,805	2,042,327	3,066,684	2,373,978	893,266
General building contractors.....	89,901	55,538	88,427,606	70,024,779	86,197,194	74,598,392	1,840,086	2,778,728	2,147,494	798,539
Operative builders.....	4,181	2,373	6,499,325	5,523,549	6,171,655	5,042,413	202,241	287,956	226,484	94,727
Heavy construction contractors.....	16,093	11,250	46,037,880	38,875,838	44,407,794	35,735,346	1,628,550	1,992,615	1,717,257	745,928
Special trade contractors.....	118,482	79,551	75,745,349	61,975,924	74,842,154	56,115,452	2,205,451	2,997,680	2,328,952	788,514
Plumbing, heating, and air conditioning.....	27,206	18,876	19,890,230	16,102,405	19,670,417	15,155,253	442,025	627,196	493,096	156,336
Electrical work.....	18,611	13,545	13,002,016	10,691,949	12,822,126	9,882,403	361,724	500,999	384,669	127,074
Other special trade contractors and contractors not allocable.....	72,665	47,130	42,853,103	35,181,571	42,349,609	31,077,796	1,401,701	1,869,485	1,451,187	505,104
<b>Manufacturing</b> .....	<b>223,471</b>	<b>159,631</b>	<b>1,836,552,260</b>	<b>1,684,943,154</b>	<b>1,773,467,830</b>	<b>1,290,204,263</b>	<b>113,518,786</b>	<b>120,144,888</b>	<b>114,374,088</b>	<b>53,092,051</b>
Food and kindred products.....	15,488	9,549	221,635,051	198,873,604	217,499,486	167,151,940	8,333,218	8,872,167	8,501,559	3,985,819
Meat products.....	2,895	1,756	53,331,401	45,920,022	52,713,067	46,498,503	671,856	784,462	694,865	322,811
Dairy products.....	1,411	1,105	30,659,785	28,566,619	30,218,039	24,302,021	1,107,582	1,144,562	1,123,645	529,858
Preserved fruits and vegetables.....	791	399	22,423,205	21,736,827	21,836,227	15,919,979	1,028,771	1,049,150	1,023,378	480,428
Grain mill products.....	1,276	814	27,352,240	26,386,812	26,637,807	20,248,996	1,367,806	1,400,077	1,377,423	648,935
Bakery products.....	2,935	1,246	10,124,127	9,282,646	10,007,147	6,025,515	421,513	454,430	422,607	194,807
Sugar and confectionery products.....	803	757	10,655,336	6,747,126	10,353,134	7,444,682	343,150	446,826	426,895	197,516
Malt liquors and malt.....	44	16	8,444,935	6,500,047	6,556,863	5,351,825	245,680	298,094	292,379	140,794
Alcoholic beverages, except malt liquors and malt.....	473	216	12,242,991	11,832,143	11,963,990	8,218,334	536,401	559,150	536,351	254,610
Bottled soft drinks, and flavonings.....	1,673	1,324	17,088,176	16,172,416	16,557,068	10,891,193	1,531,882	1,558,588	1,476,639	698,853
Other food and kindred products.....	3,187	1,916	29,312,200	25,728,945	28,856,145	22,250,894	1,078,577	1,176,829	1,127,376	517,406
Tobacco manufactures.....	83	**	19,774,827	**	19,019,345	10,638,159	1,981,745	**	1,884,545	895,575
Textile mill products.....	5,593	3,833	38,476,314	34,937,595	37,893,386	29,446,462	1,752,470	1,967,621	1,815,030	842,830
Weaving mills and textile finishing.....	1,003	642	13,517,248	12,710,929	13,314,852	10,436,114	596,580	662,611	609,461	286,887
Knitting mills.....	1,909	1,153	6,222,931	5,472,095	6,145,409	4,617,944	325,178	388,163	331,669	151,868
Other textile mill products.....	2,681	2,038	18,736,135	16,754,571	16,334,125	14,392,403	830,711	936,745	873,899	404,075
Apparel and other textile products.....	16,043	11,532	39,718,483	35,292,625	39,108,713	28,986,297	1,693,392	2,002,697	1,761,768	779,380
Men's and boys' clothing.....	1,762	1,299	13,256,102	12,075,904	12,941,720	9,431,401	753,690	829,161	743,973	347,759
Women's and children's clothing.....	8,269	6,128	18,649,303	16,250,429	18,445,686	13,762,281	643,743	791,307	667,140	285,858
Other apparel and accessories.....	1,631	1,389	2,610,627	2,362,030	2,589,895	1,914,563	113,300	123,114	114,075	45,821
Miscellaneous fabricated textile products; textile products, not elsewhere classified.....	4,381	2,716	5,202,451	4,604,262	5,131,411	3,878,052	182,659	259,116	235,580	99,943
Lumber and wood products.....	12,823	10,549	49,680,047	47,698,705	47,027,684	35,208,007	3,338,492	3,504,366	3,177,996	1,191,815
Logging, sawmills, and planing mills.....	4,830	3,886	19,703,529	18,944,010	18,511,003	13,392,703	1,603,076	1,677,205	1,502,793	510,542
Millwork, plywood, and related products.....	4,039	3,444	19,074,287	18,609,066	18,394,334	13,711,139	1,220,217	1,246,327	1,182,866	473,502
Other wood products, including wood buildings and mobile homes.....	3,954	3,219	10,902,231	10,145,608	10,982,348	8,104,165	515,199	580,835	492,337	207,771
Furniture and fixtures.....	6,369	4,911	17,646,739	15,142,829	17,344,273	12,453,678	799,631	983,629	909,670	407,849
Paper and allied products.....	3,318	2,630	51,168,081	48,294,816	49,189,888	34,526,365	3,321,012	3,486,295	3,446,518	1,504,632
Pulp, paper, and board mills.....	303	166	30,852,824	29,720,544	29,472,369	21,068,322	1,679,404	1,749,825	1,765,224	723,878
Other paper products.....	3,015	2,464	20,315,256	18,574,271	19,717,519	13,458,043	1,641,608	1,736,470	1,681,294	780,754
Printing and publishing.....	34,373	23,876	57,068,172	52,328,000	55,234,270	33,942,125	4,922,705	5,234,502	4,920,253	2,228,733
Newspapers.....	4,861	3,888	18,502,781	17,698,533	17,807,162	10,957,911	2,322,660	2,373,831	2,274,432	1,059,121
Periodicals.....	4,101	2,269	7,588,604	6,533,651	7,329,399	4,424,070	416,145	508,340	465,930	207,677
Books, greeting cards, and miscellaneous publishing.....	4,465	2,387	9,818,295	9,088,884	9,268,312	4,896,310	974,194	1,045,609	979,107	459,197
Commercial and other printing and printing trade services.....	20,946	15,332	21,158,493	19,006,932	20,829,397	13,663,833	1,209,707	1,306,722	1,200,784	502,738
Chemicals and allied products.....	9,495	6,225	138,103,009	125,792,267	132,744,153	84,814,192	11,822,769	12,371,659	12,147,580	5,743,073
Industrial chemicals, plastics materials and synthetics.....	3,486	2,494	63,671,361	59,342,328	61,416,900	40,064,408	4,626,013	4,840,694	4,744,805	2,238,542
Drugs.....	1,086	620	29,956,073	28,160,430	28,318,762	15,854,838	4,038,490	4,139,840	4,095,510	1,946,197
Soap, cleaners, and toilet goods.....	1,400	908	19,971,854	19,597,546	19,254,174	12,347,992	2,131,642	2,168,796	2,132,224	1,005,317
Paints and allied products.....	1,350	1,109	6,224,084	4,813,759	6,163,586	4,293,284	281,382	305,181	293,118	132,171
Agricultural and other chemical products.....	2,173	1,094	18,279,637	13,878,203	17,590,712	12,253,670	745,241	917,148	881,923	420,846
Petroleum (including integrated) and coal products.....	1,171	932	357,356,403	346,193,899	346,075,188	281,208,264	19,402,503	18,504,189	18,063,127	8,532,305
Petroleum refining (including integrated).....	276	238	353,955,601	342,984,958	342,719,270	278,678,656	19,228,066	19,318,056	17,895,789	8,455,850
Petroleum and coal products, not elsewhere classified.....	895	694	3,400,802	3,208,941	3,355,918	2,529,609	174,438	186,133	167,338	76,455
Rubber and miscellaneous plastics products.....	10,021	7,417	36,971,858	34,640,933	35,983,185	25,180,704	1,730,883	1,895,214	1,796,891	807,764
Rubber products; plastics footwear, hose and belting.....	1,587	1,251	23,550,458	23,147,375	22,852,124	16,116,046	886,721	943,202	919,322	428,071
Miscellaneous plastics products.....	8,434	6,166	13,421,400	11,493,558	13,131,081	9,064,657	844,162	952,011	877,569	378,694
Leather and leather products.....	2,499	2,018	11,750,264	9,681,135	11,447,440	8,415,274	542,799	627,858	562,088	258,789
Footwear, except rubber.....	717	524	8,346,167	6,666,152	8,172,831	5,833,012	424,289	481,777	433,969	204,815
Leather and leather products, not elsewhere classified.....	1,782	1,494	3,404,097	3,014,984	3,274,609	2,582,261	118,511	146,081	128,120	53,974

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 1.1—Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Minor industry	Number of returns		Total receipts		Business receipts	Cost of sales and operations	Net income (less deficit)	Net income	Income subject to tax	Total income tax
	Total	With net income	All returns	Returns with net income						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>Manufacturing—Continued</b>										
Stone, clay, and glass products	8,067	6,053	41,404,026	39,275,904	40,117,455	27,102,077	3,013,203	3,203,523	3,032,730	1,393,113
Glass products	912	816	12,173,845	11,813,008	11,699,270	7,881,616	775,838	809,465	764,156	355,591
Cement, hydraulic	266	182	3,823,670	3,426,591	3,707,896	2,536,382	271,864	298,519	293,201	135,573
Concrete, gypsum, and plaster products	4,636	3,506	14,423,222	13,541,819	14,078,386	9,561,076	986,430	1,083,135	994,445	443,519
Other nonmetallic mineral products	2,253	1,549	10,983,289	10,494,486	10,631,903	7,123,004	979,071	1,012,404	980,927	458,430
Primary metal industries	4,012	3,306	119,501,703	97,770,398	115,924,875	87,998,380	3,949,157	4,574,527	4,302,508	2,018,062
Ferrous metal industries, miscellaneous										
primary metal products	2,127	1,864	74,133,039	56,971,789	72,685,749	54,032,748	2,181,694	2,662,948	2,480,551	1,184,260
Nonferrous metal industries	1,885	1,442	45,368,664	40,798,608	43,239,126	33,965,632	1,767,462	1,911,579	1,821,956	833,802
Fabricated metal products	32,656	22,943	95,661,237	87,629,962	93,760,072	67,195,416	5,814,796	6,296,376	5,910,798	2,645,791
Metal cans and shipping containers	244	232	10,537,968	10,361,250	10,266,886	7,520,104	516,023	520,243	514,673	232,342
Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products	3,538	2,479	10,953,480	10,100,665	10,686,946	6,860,957	1,012,846	1,055,961	1,010,265	460,990
Plumbing and heating, except electric and warm air	976	632	6,221,274	6,011,418	6,060,773	4,143,766	482,835	502,051	490,881	231,782
Fabricated structural metal products	8,415	5,803	24,948,465	21,964,070	24,551,389	18,657,499	1,180,888	1,350,580	1,226,359	544,361
Metal forgings and stampings	3,798	2,816	11,606,930	10,542,799	11,453,396	8,370,020	689,853	737,287	703,190	312,773
Coating, engraving, and allied services	2,922	2,112	3,929,930	3,849,708	3,848,100	2,570,571	241,353	255,136	230,129	98,650
Ordnance and accessories, except vehicles and guided missiles	197	187	1,046,696	986,255	1,026,028	704,741	83,822	91,721	89,929	41,695
Miscellaneous fabricated metal products	12,566	8,682	26,416,493	23,813,798	25,866,555	18,367,758	1,607,177	1,783,397	1,645,371	723,198
Machinery, except electrical	24,886	18,971	142,416,039	135,589,176	132,248,184	88,619,513	14,677,139	15,210,821	14,807,151	6,968,257
Farm machinery	1,636	972	12,295,178	10,420,616	11,711,518	8,081,263	602,651	762,004	745,365	348,656
Construction and related machinery	1,936	1,438	32,067,979	31,291,065	30,850,324	21,516,154	2,926,813	2,970,337	2,919,468	1,388,011
Metalworking machinery	7,492	6,121	11,792,763	11,043,062	11,516,695	7,319,532	1,004,076	1,040,446	966,526	415,351
Special industry machinery	4,164	3,201	11,794,386	10,913,757	11,346,901	7,855,395	743,021	827,244	778,845	350,869
General industrial machinery	3,169	2,459	17,010,467	16,326,657	16,538,992	11,470,112	1,206,321	1,245,830	1,182,478	548,638
Office, computing, and accounting machines	409	323	41,686,354	40,791,055	34,911,493	21,690,302	7,124,262	7,189,098	7,090,148	3,409,167
Other machinery, except electrical	6,080	4,457	15,768,913	14,802,965	15,372,262	10,686,755	1,069,995	1,175,863	1,124,322	507,566
Electrical and electronic equipment	13,524	9,183	129,299,705	123,663,054	124,358,575	83,224,839	8,817,979	9,436,160	9,030,342	4,223,092
Household appliances	629	422	12,638,225	12,155,406	12,306,924	8,411,098	859,155	905,668	872,000	413,655
Radio, television, and communication equipment	1,776	933	32,277,314	30,447,875	30,168,539	20,301,260	1,726,424	1,891,979	1,769,562	827,624
Electronic components and accessories	5,674	3,962	30,203,374	27,429,217	29,164,328	20,094,438	1,849,234	2,159,588	2,038,405	937,335
Other electrical equipment	5,445	3,866	54,810,793	53,630,916	52,718,783	34,418,044	4,383,166	4,478,931	4,350,375	2,044,478
Motor vehicles and equipment	2,108	1,487	156,219,048	139,221,477	150,295,405	109,999,493	11,240,333	11,603,132	11,503,678	5,502,967
Transportation equipment, except motor vehicles	2,626	1,934	54,440,140	41,650,145	52,399,800	38,897,924	1,767,030	2,381,104	2,003,082	930,303
Aircraft, guided missiles and parts	451	314	41,509,015	29,454,899	39,814,434	29,159,004	1,181,888	1,757,127	1,427,551	671,076
Ship and boat building and repairing	1,023	857	5,199,716	4,865,874	5,010,529	3,910,761	224,443	249,168	210,625	89,649
Other transportation equipment, except motor vehicles	1,152	763	7,731,408	7,329,372	7,574,837	5,828,058	350,699	374,809	364,906	169,578
Instruments and related products	5,873	4,361	32,293,316	29,498,440	30,917,774	18,367,820	3,270,375	3,419,066	3,335,353	1,575,125
Scientific instruments and measuring devices; watches and clocks	1,853	1,347	11,949,744	10,865,760	11,519,768	7,096,068	920,283	982,845	958,551	447,899
Optical, medical, and ophthalmic goods	3,504	2,538	10,878,154	9,965,679	10,382,501	6,275,862	884,583	939,616	896,693	417,930
Photographic equipment and supplies	516	476	9,465,418	8,667,001	9,015,504	4,995,890	1,465,059	1,496,605	1,480,108	709,295
Miscellaneous manufacturing and manufacturing not allocable	12,443	**	25,338,460	**	24,778,681	16,827,433	1,327,155	**	1,461,422	656,778
<b>Transportation and public utilities</b>										
Transportation	71,562	41,864	148,130,747	126,370,324	141,176,945	97,652,974	4,783,767	6,740,862	6,005,914	2,681,238
Railroad transportation	340	293	32,344,926	24,579,139	29,522,656	20,887,140	184,309	1,373,344	1,329,851	599,709
Local and interurban passenger transit	10,165	4,384	2,893,951	2,185,770	2,793,402	1,724,859	107,988	153,308	127,465	46,257
Trucking and warehousing	33,496	23,010	49,667,040	42,309,003	48,510,364	31,607,380	1,834,367	2,075,966	1,791,449	764,130
Water transportation	5,101	2,718	9,529,612	7,436,140	8,750,401	6,416,453	315,108	496,106	334,641	150,558
Transportation by air	6,499	2,517	31,096,346	29,853,504	29,632,603	20,121,924	1,513,064	1,646,330	1,593,805	751,016
Pipelines, except natural gas	537	465	7,976,767	7,761,595	7,898,878	6,346,561	517,709	535,638	457,751	217,527
Transportation services, not elsewhere classified	15,424	8,477	14,622,104	12,245,174	14,068,642	10,548,658	311,222	460,169	370,952	152,042
Communication	8,630	5,307	81,235,961	80,299,156	79,664,672	37,350,875	8,029,540	8,150,013	7,842,579	3,795,139
Telephone, telegraph, and other communication services	3,746	2,583	69,827,522	69,533,528	68,699,043	31,407,950	6,477,294	6,527,357	6,366,258	3,108,104
Radio and television broadcasting	4,884	2,724	11,408,439	10,765,628	10,965,628	5,942,926	1,552,247	1,622,656	1,476,321	687,035
Electric, gas, and sanitary services	12,494	7,172	143,531,783	132,611,907	139,845,807	92,207,602	8,188,647	8,414,444	8,242,328	3,918,001
Electric services	380	362	45,719,414	40,319,079	44,817,209	26,112,089	2,885,332	2,968,179	2,929,977	1,392,269
Gas production and distribution	1,375	925	59,023,415	57,127,227	57,550,563	43,700,497	2,750,633	2,816,418	2,775,027	1,315,058
Combination utility services	454	160	34,503,548	31,440,030	33,332,379	20,401,730	2,210,894	2,248,205	2,214,037	1,070,545
Water supply and other sanitary services	10,285	5,725	4,885,405	3,725,571	4,145,636	1,993,286	341,788	381,642	323,288	140,129
<b>Wholesale and retail trade</b>										
Wholesale trade	721,443	483,173	1,461,404,863	1,279,416,188	1,436,428,884	1,134,768,864	35,759,358	41,432,239	30,594,403	12,479,414
Groceries and related products	254,682	183,984	770,443,928	674,566,706	758,743,748	642,166,017	20,091,887	22,856,078	14,531,349	5,990,841
Machinery, equipment, and supplies	47,600	37,299	86,446,879	76,299,956	84,258,151	63,611,720	4,837,020	5,255,431	2,690,073	1,098,044
Miscellaneous wholesale trade	180,047	128,947	558,175,459	488,216,760	549,975,399	468,760,310	13,824,191	15,910,605	10,050,692	4,339,350
Motor vehicles and automotive equipment	19,666	14,976	43,328,085	36,091,260	42,743,164	34,176,647	1,700,889	1,918,953	1,095,660	451,407
Furniture and home furnishings	5,362	2,778	5,894,523	5,140,773	5,804,408	4,298,364	102,001	176,858	152,365	57,149
Lumber and construction materials	11,362	8,390	31,252,688	29,539,907	30,911,173	25,584,014	955,955	1,038,154	855,551	352,039
Sporting, recreational, photographic, and hobby goods, toys, and supplies	2,081	1,287	4,363,145	3,707,048	4,290,853	3,246,279	83,998	155,230	116,395	47,791
Metals and minerals, except petroleum and scrap	5,677	5,215	44,304,666	40,009,560	43,689,072	39,215,042	793,417	919,784	730,687	321,566
Electrical goods	15,354	10,801	32,690,706	28,875,646	32,044,947	24,280,827	1,667,675	1,841,886	867,427	359,666
Hardware, plumbing, and heating equipment and supplies	11,264	9,112	24,415,875	22,674,874	24,020,994	18,443,667	756,388	809,731	693,923	269,630
Other durable goods	30,038	20,711	55,892,058	49,003,465	55,003,966	44,655,345	1,664,707	1,970,956	1,242,759	491,575
Paper and paper products	2,904	4,014	12,337,165	11,290,339	12,210,661	9,850,946	340,578	365,168	246,756	99,612
Drugs, drug proprietaries, and druggists' sundries	4,607	1,407	8,196,750	7,068,263	8,111,542	6,586,503	220,567	263,804	153,076	65,238
Apparel, piece goods, and notions	13,722	8,984	25,296,134	22,167,122	24,990,972	20,475,984	445,523	641,543	475,437	192,961
Farm-product raw materials	9,180	6,718	86,042,642	74,468,854	84,643,135	79,531,630	785,470	945,588	547,673	221,369
Chemicals and allied products	4,556	3,773	16,860,921	15,568,147	16,602,306	13,564,267	979,290	1,033,018	1,023,194	102,023
Petroleum and petroleum products	11,445	8,844	90,850,054	79,728,465	89,663,642	83,034,626	1,577,206	1,784,050	1,623,952	719,262
Alcoholic beverages	5,246	3,440	22,241,643	21,121,469	22,086,146	17,187,245	744,432	777,608	607,299	263,919
Miscellaneous nondurable goods; wholesale trade not allocable	28,033	18,497	54,208,406	41,761,567	53,157,016	44,628,924	1,006,094	1,268,275	848,537	330,144

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

**Table 1.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry — Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Minor industry	Number of returns		Total receipts		Business receipts	Cost of sales and operations	Net income (less deficit)	Net income	Income subject to tax	Total income tax
	Total	With net income	All returns	Returns with net income						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Wholesale and retail trade — Continued										
Retail trade	465,920	298,884	690,317,471	604,319,813	677,061,531	492,167,147	15,663,175	18,561,515	16,053,325	6,485,763
Building materials, garden supplies, and mobile home dealers	34,662	26,322	42,579,613	38,758,727	41,826,115	30,575,060	1,528,354	1,757,416	1,541,802	596,442
Building materials dealers	16,452	12,693	29,868,115	27,507,898	29,412,094	21,687,433	1,187,956	1,328,218	1,193,028	483,713
Hardware stores	11,497	8,713	6,950,084	6,317,028	6,850,008	4,642,257	240,483	273,980	230,039	75,414
Garden supplies and mobile home dealers	6,713	4,916	5,761,414	4,933,802	5,564,013	4,245,370	99,915	155,218	118,734	37,314
General merchandise stores	9,913	7,507	102,704,959	98,087,640	99,153,968	64,133,254	3,623,450	3,773,141	3,487,897	1,566,148
Food stores	32,339	19,639	145,344,858	132,219,808	144,020,986	112,118,806	2,249,369	2,504,493	2,307,580	1,018,083
Grocery stores	23,942	15,134	140,173,459	128,534,729	138,904,827	108,484,035	2,182,310	2,389,477	2,233,820	991,377
Other food stores	8,397	4,505	5,171,399	3,685,079	5,116,159	3,634,770	67,059	115,016	73,760	27,706
Automotive dealers and service stations	74,965	54,154	193,462,366	163,146,076	190,418,999	162,197,823	2,135,097	2,577,928	2,155,626	772,428
Motor vehicle dealers	35,062	25,526	151,755,916	129,433,313	149,229,681	129,505,504	1,470,161	1,720,221	1,466,052	546,821
Gasoline service stations	15,122	11,075	23,242,719	18,071,250	23,005,981	19,565,536	203,263	293,697	251,222	88,202
Other automotive dealers	24,781	17,553	18,463,731	15,641,512	18,183,336	13,126,784	461,672	564,010	438,352	137,405
Apparel and accessory stores	42,572	28,023	28,968,021	25,309,156	28,295,767	16,824,809	1,264,640	1,526,395	1,317,056	532,909
Furniture and home furnishings stores	36,684	25,622	26,304,130	22,326,278	25,407,530	16,052,786	791,704	1,012,299	820,757	292,660
Eating and drinking places	101,054	54,298	50,271,760	38,975,003	49,052,987	21,855,436	1,259,479	1,904,759	1,484,851	568,449
Miscellaneous retail stores	133,731	83,319	100,681,763	85,497,124	98,885,180	68,409,174	2,811,082	3,505,083	2,937,758	1,117,644
Drug stores and proprietary stores	21,559	14,869	23,937,715	21,513,461	23,667,379	16,920,364	711,924	793,819	686,797	281,517
Liquor stores	11,887	7,273	8,299,234	4,986,297	8,242,601	6,634,656	113,510	143,806	95,479	27,402
Other retail stores	100,285	61,177	68,444,815	58,997,367	66,975,200	44,854,154	1,985,648	2,567,459	2,155,481	808,725
Wholesale and retail trade not allocable	841	305	643,464	529,670	623,605	435,699	4,296	14,645	9,729	2,810
Finance, insurance, and real estate	454,301	278,590	474,690,489	436,777,333	234,578,853	111,618,648	33,873,934	38,595,831	26,968,842	11,920,213
Banking	15,347	13,111	130,458,772	119,212,178	135,515,753	804,207	6,413,964	7,290,758	6,640,767	3,033,149
Mutual savings banks	440	430	11,990,788	11,194,220	345,938	42,203	575,573	626,470	408,922	193,966
Bank holding companies	1,201	1,031	80,732,436	76,662,670	10,236,600	679,131	4,042,028	4,269,900	4,000,404	1,888,449
Banks, except mutual savings banks and bank holding companies	13,706	11,650	37,735,548	31,355,287	2,933,215	82,873	1,796,363	2,394,388	2,231,441	950,734
Credit agencies other than banks	54,785	30,141	64,275,478	60,908,839	14,594,888	6,361,679	3,961,475	4,669,894	4,347,221	2,049,923
Savings and loan associations	4,615	4,280	40,732,284	39,082,402	2,395,278	386,198	2,566,203	2,712,229	2,662,190	1,303,125
Personal credit institutions	4,208	2,267	11,526,432	11,381,545	8,549,868	5,020,448	530,104	586,555	530,669	249,726
Business credit institutions	634	461	1,818,768	1,688,238	1,033,130	98,827	288,210	309,318	303,713	142,491
Other credit agencies, finance not allocable	45,328	23,133	10,197,994	8,756,653	2,616,612	896,206	576,358	1,061,794	850,648	354,580
Security, commodity brokers and services	6,699	3,842	10,040,342	8,263,466	4,272,376	411,772	601,459	762,764	616,648	270,707
Security brokers, dealers, and flotation companies	3,656	2,320	8,582,625	7,021,767	3,193,044	184,357	462,969	591,857	496,018	218,728
Commodity contracts brokers and dealers, security and commodity exchanges, and allied services	3,043	1,522	1,457,717	1,241,699	1,079,332	227,414	138,490	170,907	120,630	51,979
Insurance	8,208	6,137	203,175,208	196,357,954	163,445,277	91,519,817	12,537,964	12,956,995	9,515,499	4,494,538
Life insurance	1,798	1,306	109,828,513	106,193,038	80,281,510	43,637,185	6,882,279	7,055,308	6,152,701	2,927,378
Mutual insurance, except life or marine and certain fire or flood insurance companies	1,230	1,052	26,611,793	25,953,126	24,205,071	15,309,211	1,318,127	1,348,684	941,001	441,246
Other insurance companies	5,180	3,779	66,734,902	64,213,790	58,958,697	32,573,421	4,337,559	4,553,003	2,421,797	1,125,915
Insurance agents, brokers, and service	43,118	30,397	12,101,551	10,023,868	11,492,158	2,575,674	1,151,355	1,279,781	995,444	388,243
Real estate	275,939	164,473	42,311,219	31,789,795	24,949,050	8,767,538	3,275,501	5,133,298	3,732,111	1,272,490
Real estate operators and lessors of buildings	153,713	98,856	17,684,112	13,165,589	7,322,164	2,767,940	1,584,869	2,423,667	2,051,329	669,194
Lessors of mining, oil, and similar property	533	505	220,747	194,397	68,646	*23,242	63,847	65,393	61,768	21,810
Lessors of railroad property, and of real property, not elsewhere classified	8,959	4,588	436,236	311,473	144,254	71,259	42,235	84,366	80,638	22,876
Condominium management and cooperative housing associations	4,400	1,413	753,106	219,149	514,297	24,195	-37,286	16,327	2,880	780
Subdividers and developers	31,492	17,328	6,923,158	5,584,473	2,276,990	1,298,337	867,997	1,409,583	858,200	335,837
Other real estate	76,842	41,783	16,113,861	12,314,713	14,622,699	4,582,565	753,840	1,133,962	677,295	221,993
Holding and other investment companies, except bank holding companies	50,205	30,489	12,507,918	10,221,234	2,309,351	1,177,962	5,932,216	6,492,342	1,121,153	411,162
Regulated investment companies	1,265	1,075	5,131,562	4,874,953	1,688	-	4,364,431	4,370,305	*82	*15
Real estate investment trusts	135	62	1,065,961	542,835	11,472	7,065	56,131	101,907	13	39
Small business investment companies	1,667	1,010	107,969	81,955	10,165	-	24,226	35,140	23,550	7,819
Other holding and investment companies, except bank holding companies	47,138	28,342	6,202,427	4,721,490	2,287,646	1,170,896	1,487,428	1,984,990	1,097,508	403,288
Services	560,016	338,498	210,606,073	167,874,196	201,678,049	100,355,222	7,666,125	10,994,355	8,589,087	3,190,125
Hotels and other lodging places	18,710	11,135	13,555,157	11,013,048	12,623,975	6,041,899	804,893	1,085,665	787,243	335,556
Personal services	41,883	26,419	11,324,130	9,108,750	10,969,982	5,457,463	514,442	620,337	491,827	177,660
Business services	138,903	81,422	64,003,341	51,400,416	61,166,853	34,951,155	2,505,469	3,467,199	2,869,105	1,111,190
Advertising	16,257	10,079	15,889,389	12,880,265	15,640,159	11,355,376	510,866	617,189	538,606	225,300
Business services, except advertising	122,646	71,343	48,113,952	38,520,150	45,526,694	23,595,779	1,994,603	2,850,010	2,330,499	885,890
Auto repair, miscellaneous repair services	65,284	42,531	21,659,245	16,896,625	20,780,549	11,354,746	663,390	932,875	723,045	240,837
Auto repair and services	45,325	29,221	16,196,893	12,101,597	15,378,012	7,886,626	421,878	640,061	493,806	169,904
Miscellaneous repair services	19,959	13,310	5,462,352	4,795,029	5,402,537	3,468,119	241,512	292,814	229,240	70,933
Amusement and recreation services	44,826	23,203	24,621,179	20,444,991	22,758,756	11,592,479	1,216,936	1,714,994	1,306,434	568,333
Motion picture production, distribution, and services	6,880	3,923	9,075,627	8,010,193	8,255,376	4,332,685	495,500	571,027	474,999	218,602
Motion picture theaters	3,547	2,410	3,237,684	2,860,012	3,000,666	1,549,119	147,305	183,604	142,339	60,600
Amusement and recreation services, except motion pictures	34,399	16,870	12,307,868	9,574,786	11,502,714	5,710,676	574,131	960,362	689,096	289,671
Other services	250,410	153,788	75,443,022	59,010,366	73,377,934	30,957,481	1,960,995	3,173,286	2,411,433	756,549
Offices of physicians, including osteopathic physicians	70,223	50,606	20,050,377	15,312,016	19,831,329	4,645,731	432,077	574,169	534,885	121,460
Offices of dentists	22,872	16,375	5,241,650	4,032,560	5,189,135	1,632,998	152,821	152,221	132,615	28,151
Offices of other health practitioners	4,297	3,249	743,454	608,480	737,714	269,966	19,305	30,828	16,360	4,172
Nursing and personal care facilities	8,090	5,001	7,690,990	5,784,813	7,489,963	4,563,702	234,521	326,208	193,490	70,707
Hospitals	588	417	4,859,115							



## RETURNS OF ACTIVE CORPORATIONS

Table 1.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Minor industry	Foreign tax credit	Investment credit	Jobs credit	Total income tax after credits <sup>1</sup>	Distributions to stockholders except in own stock		Total assets	Net worth	Depreciable assets	Depreciation deduction
					All returns	Returns with net income				
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>Total returns of active corporations.....</b>	<b>26,357,629</b>	<b>12,887,172</b>	<b>3,093,815</b>	<b>64,386,837</b>	<b>70,294,349</b>	<b>67,051,545</b>	<b>6,014,452,008</b>	<b>1,494,756,856</b>	<b>1,696,212,705</b>	<b>121,299,900</b>
<b>Agriculture, forestry, and fishing.....</b>	<b>*13,210</b>	<b>100,232</b>	<b>31,117</b>	<b>340,710</b>	<b>251,428</b>	<b>239,905</b>	<b>32,904,622</b>	<b>10,218,791</b>	<b>18,476,272</b>	<b>1,650,333</b>
Agricultural production.....	13,199	79,226	17,798	281,971	222,765	212,647	28,442,044	8,883,814	15,308,835	1,330,757
Agricultural services (except veterinarians), forestry, fishing, hunting, and trapping.....	*12	21,005	13,319	58,739	28,663	27,258	4,462,578	1,334,978	3,167,437	319,575
<b>Mining.....</b>	<b>12,512,804</b>	<b>234,247</b>	<b>44,138</b>	<b>1,046,525</b>	<b>2,184,973</b>	<b>1,906,968</b>	<b>97,670,205</b>	<b>45,057,155</b>	<b>49,333,984</b>	<b>3,448,124</b>
Metal mining.....	*63,516	36,169	*702	72,072	173,316	113,158	12,705,146	7,438,533	6,038,458	338,642
Iron ores.....	10,689	3,994	100	8,985	40,184	40,184	3,010,757	1,263,897	2,214,186	80,895
Copper, lead and zinc, gold and silver ores.....	*52,828	*32,032	*454	*59,766	*109,785	*49,651	8,622,215	5,829,130	3,332,150	225,235
Other metal mining.....	—	*143	*147	*3,311	*23,347	*23,323	1,072,174	345,507	492,122	32,512
Coal mining.....	1,662	32,422	6,880	132,053	224,554	115,893	13,838,343	5,394,961	8,662,559	878,332
Oil and gas extraction.....	12,445,728	123,772	27,308	702,882	1,648,102	1,600,091	63,465,763	28,563,595	28,727,580	1,788,261
Crude petroleum, natural gas, and natural gas liquids.....	12,330,131	41,682	2,871	317,677	1,391,724	1,354,820	48,488,378	22,590,869	19,509,056	876,625
Oil and gas field services.....	115,597	82,090	24,438	385,205	256,379	245,271	14,977,385	5,972,726	9,218,524	911,635
Nonmetallic minerals, except fuels.....	1,899	41,885	9,248	139,519	149,001	77,825	7,660,953	3,660,065	5,905,387	442,890
Dimension, crushed, and broken stone; sand and gravel.....	1,032	34,071	7,939	109,509	52,820	52,024	3,968,217	1,961,209	3,534,334	294,139
Other nonmetallic minerals, except fuels.....	867	7,814	1,309	30,010	96,181	25,802	3,692,736	1,698,856	2,371,053	148,751
<b>Construction.....</b>	<b>116,160</b>	<b>331,104</b>	<b>481,331</b>	<b>1,496,951</b>	<b>627,914</b>	<b>563,453</b>	<b>105,545,997</b>	<b>25,787,440</b>	<b>37,721,795</b>	<b>3,803,766</b>
General building contractors and operative builders.....	47,271	78,636	155,499	610,669	250,152	214,004	53,869,564	9,086,890	11,220,481	1,027,188
General building contractors.....	47,031	72,716	149,332	528,271	228,748	192,708	48,098,044	8,312,508	10,320,094	967,218
Operative builders.....	241	5,920	6,167	82,398	21,404	21,296	5,771,520	774,383	900,387	59,970
Heavy construction contractors.....	64,748	148,968	81,931	449,652	202,421	182,256	22,632,490	7,706,813	15,333,955	1,493,921
Special trade contractors.....	4,141	103,501	243,902	436,630	175,341	167,193	29,043,943	8,993,737	11,167,358	1,282,659
Plumbing, heating, and air conditioning.....	*81	16,182	53,202	86,848	16,735	15,593	7,462,562	2,101,726	1,997,114	232,999
Electrical work.....	782	12,995	47,093	66,857	22,025	20,198	5,669,097	1,836,887	1,532,530	166,382
Other special trade contractors and contractors not allocable.....	*3,278	75,024	143,607	282,925	136,581	131,403	15,912,284	5,055,123	7,637,715	883,288
<b>Manufacturing.....</b>	<b>11,654,365</b>	<b>5,175,795</b>	<b>956,211</b>	<b>34,218,035</b>	<b>31,173,451</b>	<b>30,047,485</b>	<b>1,308,673,807</b>	<b>595,064,083</b>	<b>662,647,897</b>	<b>49,059,152</b>
Food and kindred products.....	539,536	402,623	57,847	2,902,060	2,317,989	2,265,349	104,765,387	48,887,054	52,768,056	4,109,408
Meat products.....	17,307	40,099	10,033	250,270	194,153	180,732	13,385,192	4,816,255	6,666,557	601,862
Dairy products.....	36,605	51,710	6,707	434,206	304,592	300,659	12,477,766	6,437,419	6,236,642	464,078
Preserved fruits and vegetables.....	82,463	45,632	6,768	345,534	283,192	283,161	15,360,842	7,204,418	5,825,235	542,660
Grain mill products.....	107,348	58,662	3,258	475,913	406,589	405,538	13,440,134	6,476,470	7,011,595	477,662
Bakery products.....	*4,255	22,339	5,395	162,799	91,457	91,130	4,640,704	2,273,520	3,320,775	260,214
Sugar and confectionery products.....	57,284	14,087	2,801	111,240	75,179	71,272	7,322,449	2,974,487	3,950,694	248,708
Malt liquors and malt.....	12	29,211	663	109,062	91,306	75,058	4,590,329	2,497,659	4,437,320	323,718
Alcoholic beverages, except malt liquors and malt.....	21,941	27,223	999	190,414	128,383	128,095	10,276,212	4,327,295	2,942,883	184,898
Bottled soft drinks, and flavorings.....	182,954	62,897	9,831	416,135	539,292	539,008	10,215,545	5,681,203	5,762,399	526,960
Other food and kindred products.....	29,368	50,765	11,393	406,486	203,846	190,695	13,056,213	6,198,390	6,613,956	478,647
Tobacco manufactures.....	49,588	61,683	638	771,228	497,399	**	21,616,939	10,150,268	9,962,713	428,946
Textile mill products.....	10,102	110,105	30,027	688,306	253,212	249,903	20,707,590	10,361,563	14,027,207	1,008,916
Weaving mills and textile finishing.....	*1,186	43,083	6,107	236,448	82,560	81,304	7,922,478	4,177,227	5,680,245	383,710
Knitting mills.....	874	12,612	8,207	126,614	40,190	40,051	2,973,435	1,379,651	1,797,188	133,028
Other textile mill products.....	7,941	54,410	15,714	325,245	130,461	128,548	9,811,677	4,904,685	6,549,774	492,178
Apparel and other textile products.....	58,148	33,369	70,236	586,510	277,081	270,661	18,274,356	8,233,352	4,600,829	379,163
Men's and boys' clothing.....	53,744	10,865	15,833	259,579	151,399	146,007	7,060,939	3,450,560	1,733,965	131,707
Women's and children's clothing.....	3,588	14,582	33,069	222,475	100,484	99,463	7,692,685	3,328,886	1,927,796	165,095
Other apparel and accessories.....	*452	2,049	6,838	34,866	13,084	13,084	1,209,992	531,069	264,649	22,988
Miscellaneous fabricated textile products; textile products, not elsewhere classified.....	*363	5,862	14,497	69,589	12,114	12,107	2,310,741	922,838	674,420	59,373
Lumber and wood products.....	20,702	211,963	50,093	908,584	593,457	593,018	33,684,017	15,981,661	20,391,138	1,593,316
Logging, sawmills, and planing mills.....	17,972	95,974	11,149	385,325	288,425	288,425	15,855,248	8,276,112	10,021,756	783,449
Millwork, plywood, and related products.....	2,119	83,510	21,054	356,750	234,278	234,278	11,537,750	5,423,516	7,536,109	598,648
Other wood products, including wood buildings and mobile homes.....	*612	22,479	17,891	166,509	70,754	70,315	6,291,019	2,282,033	2,833,273	211,220
Furniture and fixtures.....	3,134	23,523	33,315	347,594	106,379	101,183	8,463,373	4,061,356	3,739,431	274,604
Paper and allied products.....	188,575	230,549	23,630	1,060,764	928,751	922,771	38,722,547	19,318,352	28,536,345	2,039,825
Pulp, paper, and board mills.....	78,080	159,662	4,517	481,552	493,206	492,511	26,804,320	12,919,585	20,715,466	1,414,491
Other paper products.....	110,495	70,886	19,112	579,212	435,545	430,260	11,918,226	6,398,767	7,820,879	625,334
Printing and publishing.....	88,113	158,576	55,433	1,925,246	921,450	911,602	38,409,408	18,806,222	18,430,876	1,487,905
Newspapers.....	21,901	56,633	14,166	966,405	418,447	418,061	14,277,438	8,303,086	6,827,211	564,070
Periodicals.....	20,286	15,076	4,024	168,071	90,759	89,043	4,936,804	1,726,071	2,029,846	126,155
Books, greeting cards, and miscellaneous publishing.....	39,855	18,441	4,069	396,808	229,423	226,650	8,130,596	3,598,898	2,375,682	208,405
Commercial and other printing and trade services.....	6,071	68,426	33,173	393,962	182,820	177,849	11,064,570	5,178,167	7,198,136	589,275
Chemicals and allied products.....	1,156,059	516,011	33,382	3,453,727	4,413,671	4,334,768	117,920,558	59,127,233	73,798,989	5,279,602
Industrial chemicals, plastics materials and synthetics.....	436,867	372,251	13,438	1,357,815	1,650,678	1,633,805	57,658,332	27,519,929	48,183,643	3,448,444
Drugs.....	351,176	56,450	5,064	1,027,910	1,698,573	1,671,191	28,570,015	16,687,602	9,391,218	636,461
Soap, cleaners, and toilet goods.....	216,888	36,657	5,395	740,020	742,407	741,480	11,649,724	6,800,398	4,156,539	334,313
Paints and allied products.....	1,705	8,596	4,220	118,271	41,411	40,258	2,940,362	1,505,118	1,312,245	96,222
Agricultural and other chemical products.....	149,423	44,057	5,264	208,910	280,601	248,033	17,102,125	6,614,187	10,755,344	764,161
Petroleum (including integrated) and coal products.....	4,665,179	883,840	5,545	2,965,988	7,254,404	6,880,639	252,352,424	124,902,878	132,237,767	7,554,419
Petroleum refining (including integrated).....	4,661,557	873,189	4,188	2,905,186	7,217,158	6,843,394	250,424,394	123,963,718	131,102,840	7,464,189
Petroleum and coal products, not elsewhere classified.....	*3,622	10,651	1,357	60,802	37,246	37,246	1,928,030	939,160	1,134,928	90,230
Rubber and miscellaneous plastics products.....	112,400	87,074	42,008	559,854	301,517	301,042	24,009,862	10,813,981	14,317,051	951,790
Rubber products; plastics footwear, hose and belting.....	73,645	47,415	9,914	294,442	267,972	267,857	16,119,602	7,376,850	9,717,205	550,322
Miscellaneous plastics products.....	38,754	39,660	32,094	265,412	33,544	33,085	7,890,260	3,437,131	4,599,845	401,468
Leather and leather products.....	2,493	11,227	8,109	232,849	113,401	112,060	5,968,568	2,807,908	1,691,222	139,484
Footwear, except rubber.....	1,842	7,997	3,034	189,448	98,238	98,120	4,518,206	2,184,296	1,250,860	100,261
Leather and leather products, not elsewhere classified.....	*652	3,230	5,075	43,401	15,163	13,940	1,450,362	623,611	440,362	39,223

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 1.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Minor industry	Foreign tax credit	Investment credit	Jobs credit	Total income tax after credits <sup>1</sup>	Distributions to stockholders except in own stock		Total assets	Net worth	Depreciable assets	Depreciation deduction
					All returns	Returns with net income				
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>Manufacturing — Continued</b>										
Stone, clay, and glass products.....	114,947	215,075	37,784	1,017,991	526,821	523,786	30,334,655	14,901,207	22,576,975	1,594,823
Glass products.....	34,982	60,253	3,741	252,656	190,403	189,653	9,493,164	4,879,457	7,071,847	539,560
Cement, hydraulic.....	3,284	33,457	927	97,892	77,992	76,319	3,938,890	1,873,231	3,481,037	172,867
Concrete, gypsum, and plaster products.....	6,821	64,416	19,612	351,522	102,721	102,279	8,757,413	4,001,590	6,821,830	526,906
Other nonmetallic mineral products.....	69,859	56,950	13,504	315,921	155,705	155,535	8,145,187	4,146,928	5,202,261	355,488
Primary metal industries.....	323,530	336,506	32,349	1,320,339	1,339,748	1,110,651	102,484,550	43,998,054	71,092,150	4,065,230
Ferrous metal industries, miscellaneous.....										
Primary metal products.....	71,974	217,253	20,222	873,506	751,390	574,927	53,197,588	24,050,833	48,822,299	2,769,565
Nonferrous metal industries.....	251,556	119,253	12,127	446,832	588,359	535,724	49,286,961	19,947,221	22,269,851	1,295,665
Fabricated metal products.....	197,825	223,986	160,088	2,042,808	949,193	919,831	59,321,142	27,626,491	28,220,353	2,157,673
Metal cans and shipping containers.....	35,682	30,225	1,697	153,148	175,190	174,641	7,498,607	3,596,057	4,145,291	318,594
Cutlery, hand tools, and hardware, screw machine products, bolts, and similar products.....	53,444	29,952	19,076	353,045	190,208	186,715	6,956,970	3,648,066	3,405,150	279,210
Plumbing and heating, except electric and warm air.....	35,126	11,180	4,735	180,707	77,224	77,205	4,002,638	2,006,299	1,768,853	127,437
Fabricated structural metal products.....	36,823	47,559	39,466	420,445	189,256	182,565	16,075,250	6,750,509	6,530,253	458,035
Metal forgings and stampings.....	4,678	31,181	20,663	254,246	80,683	79,846	6,198,917	2,914,357	3,724,488	279,031
Coating, engraving, and allied services.....	84	11,765	10,656	76,137	44,574	31,956	2,513,198	1,141,618	1,406,073	117,626
Ordnance and accessories, except vehicles and guided missiles.....	761	2,160	*1,205	37,564	*13,179	*12,888	576,518	324,728	316,604	23,279
Miscellaneous fabricated metal products.....	31,226	59,965	62,589	567,515	178,878	174,015	15,499,044	7,244,855	6,923,641	554,461
Machinery, except electrical.....	1,914,522	485,390	112,753	4,389,754	3,580,771	3,561,909	121,529,949	55,840,038	51,519,865	4,775,569
Farm machinery.....	14,700	26,008	5,835	302,077	125,497	124,133	11,712,372	3,982,935	3,123,941	265,937
Construction and related machinery.....	144,900	127,955	18,511	1,094,179	607,512	607,105	24,552,830	10,980,158	10,905,532	920,479
Metalworking machinery.....	21,008	40,059	25,460	327,175	128,678	126,860	7,676,522	3,798,652	4,084,139	312,783
Special industry machinery.....	56,414	22,542	18,462	253,220	121,323	117,411	8,275,245	3,773,378	2,945,512	248,004
General industrial machinery.....	57,448	39,808	15,557	435,756	248,060	246,441	11,916,406	5,457,890	4,938,620	402,541
Office, computing, and accounting machines.....	1,595,337	186,505	6,222	1,569,938	2,180,449	2,179,034	47,383,238	23,257,810	21,079,281	2,283,086
Other machinery, except electrical.....	24,716	40,512	22,707	407,409	169,252	160,924	10,013,237	4,589,216	4,442,840	342,741
Electrical and electronic equipment.....	724,615	428,761	97,880	2,796,371	2,330,689	2,297,269	110,596,932	43,308,934	39,714,007	3,952,345
Household appliances.....	64,950	15,217	3,330	330,002	239,866	238,801	8,490,990	4,198,321	2,935,557	226,249
Radio, television, and communication equipment.....	279,972	95,160	14,446	420,198	634,168	631,765	30,686,600	10,563,078	8,436,828	1,172,929
Electronic components and accessories.....	99,765	89,581	47,214	666,486	260,739	240,210	22,724,529	9,941,003	7,640,017	757,237
Other electrical equipment.....	279,929	228,804	32,890	1,379,685	1,195,916	1,186,493	48,694,814	18,606,532	20,701,606	1,795,931
Motor vehicles and equipment.....	1,037,232	539,124	23,126	3,895,705	2,745,987	2,677,591	117,934,444	40,380,918	45,097,210	4,793,306
Transportation equipment, except motor vehicles.....	150,742	83,056	23,635	672,665	789,916	609,506	14,825,562	10,566,768	17,274,443	1,108,040
Aircraft, guided missiles and parts.....	146,192	52,173	5,588	466,941	579,623	402,256	32,369,032	11,333,039	13,477,629	820,995
Ship and boat building and repairing.....	*112	10,552	9,624	69,348	138,732	138,372	5,135,922	2,309,671	1,392,730	108,985
Other transportation equipment, except motor vehicles.....	4,439	20,332	8,423	136,375	71,561	68,879	4,320,608	1,764,059	2,404,084	178,061
Instruments and related products.....	255,019	89,003	23,758	1,164,738	723,293	716,327	23,398,244	12,856,929	11,046,422	887,772
Scientific instruments and measuring devices, watches and clocks.....	38,667	26,618	11,611	355,521	118,314	116,975	8,723,154	4,109,138	2,985,329	236,562
Optical, medical, and ophthalmic goods.....	108,843	23,451	10,679	249,955	187,535	187,343	7,584,569	4,088,457	2,830,872	249,696
Photographic equipment and supplies.....	*107,509	38,935	1,468	559,261	417,443	412,009	7,090,521	4,659,333	5,230,221	401,514
Miscellaneous manufacturing and manufacturing not allocable.....	41,903	44,349	34,576	514,955	208,324	**	16,353,400	7,292,917	5,604,848	477,018
<b>Transportation and public utilities.....</b>										
Transportation.....	113,735	1,202,231	94,073	1,270,525	1,436,434	1,413,448	140,980,182	50,369,919	113,380,700	7,454,491
Railroad transportation.....	8,196	355,650	1,238	234,615	593,163	585,436	54,344,793	21,898,303	44,433,603	1,712,573
Local and interurban passenger transit.....	(2)	13,161	6,511	26,409	13,304	13,144	1,869,792	615,609	1,765,193	195,572
Trucking and warehousing.....	14,525	197,442	61,260	490,615	249,100	238,492	27,372,017	10,432,250	20,993,313	2,366,776
Water transportation.....	9,098	33,967	8,811	98,561	74,420	71,329	11,356,203	2,931,382	7,572,188	493,478
Transportation by air.....	70,988	541,080	6,889	132,060	165,878	164,850	27,633,129	9,077,310	25,461,472	1,783,872
Pipelines, except natural gas.....	*1,498	30,887	*1,261	183,882	238,542	238,542	6,750,667	1,648,113	6,220,876	386,745
Transportation services, not elsewhere classified.....	*9,430	30,045	8,104	104,383	102,027	101,654	11,653,581	3,255,953	6,934,156	519,475
Communication.....	61,965	1,658,219	16,865	2,033,323	4,431,805	4,431,343	162,682,751	71,890,157	157,006,035	11,252,026
Telephone, telegraph, and other communication services.....	*35,315	1,606,937	9,090	1,433,822	4,165,856	4,165,693	151,567,382	66,728,828	151,870,026	10,699,725
Radio and television broadcasting.....	*26,650	51,282	7,775	599,500	265,948	265,650	11,115,369	5,161,989	5,136,009	552,301
Electric, gas, and sanitary services.....	46,736	1,905,521	12,812	1,952,856	7,798,234	7,157,659	294,058,075	118,899,705	299,228,408	11,581,396
Electric services.....	2,713	898,244	3,744	487,555	3,701,563	3,273,798	134,783,198	54,271,118	140,651,362	5,340,396
Gas production and distribution.....	38,883	369,056	2,974	904,090	1,427,741	1,409,295	67,332,803	25,384,188	60,173,221	2,532,190
Combination utility services.....	*3,230	596,894	2,175	468,241	2,593,427	2,399,237	85,228,312	36,753,342	92,033,482	3,346,186
Water supply and other sanitary services.....	1,909	41,328	3,919	92,970	75,502	75,329	6,713,762	2,491,057	6,370,343	362,624
<b>Wholesale and retail trade.....</b>										
Wholesale trade.....	478,029	432,258	345,315	4,720,243	4,533,924	4,400,621	252,600,616	90,854,331	54,178,281	5,292,984
Groceries and related products.....	1,271	57,347	36,564	457,777	212,086	209,807	22,887,721	6,955,831	7,380,629	708,282
Machinery, equipment, and supplies.....	16,403	88,651	71,501	921,293	1,380,795	1,327,587	41,445,155	16,346,155	8,169,872	1,073,587
Miscellaneous wholesale trade.....	460,354	286,259	237,250	3,341,173	2,941,044	2,863,228	188,267,740	67,552,344	38,627,980	3,511,115
Motor vehicles and automotive equipment.....	4,037	20,543	30,030	396,619	445,248	443,309	17,517,319	6,838,695	3,092,788	293,543
Furniture and home furnishings.....	*709	3,668	7,948	44,824	10,630	10,559	2,339,070	731,933	391,824	42,238
Lumber and construction materials.....	23	21,680	26,933	303,641	102,867	102,142	9,535,829	3,631,277	2,318,924	213,287
Sporting, recreational, photographic, and hobby goods, toys, and supplies.....	193	2,013	3,687	41,895	15,314	13,914	2,249,038	621,533	229,646	25,293
Metals and minerals, except petroleum and scrap.....	7,302	29,635	15,124	269,376	156,242	152,525	15,710,033	4,320,745	2,643,555	242,384
Electrical goods.....	4,068	14,472	22,311	317,506	475,414	460,044	14,057,257	5,892,394	1,683,620	182,527
Hardware, plumbing, and heating equipment and supplies.....	*830	15,490	19,663	233,614	76,872	75,337	9,925,444	3,918,706	1,775,216	169,537
Other durable goods.....	2,799	31,937	33,026	423,567	354,489	353,439	21,395,504	7,177,553	3,443,026	360,633
Paper and paper products.....	*4,068	5,357	7,367	76,783	83,383	82,565	3,805,815	1,575,638	767,270	79,677
Drugs, drug proprietarys, and druggists' sundries.....	*161	4,587	4,262	55,867	76,752	76,432	2,842,298	1,138,258	466,983	47,306
Apparel, piece goods, and notions.....	6,031	6,843	9,933	169,878	62,950	62,670	8,907,661	2,414,985	806,855	90,101
Farm-product raw materials.....	16,872	37,100	5,506	161,893	211,480	203,571	21,893,647	6,977,695	7,418,138	516,490
Chemicals and allied products.....	*5,904	7,856	3,930	84,122	373,600	366,704	6,552,027	3,753,577	1,059,508	103,534
Petroleum and petroleum products.....	391,333	42,413	11,240	262,881	118,511	95,816	28,927,786	10,627,974	6,413,394	578,004
Alcoholic beverages.....	*735	13,245	14,527	235,413	151,726	144,257	6,024,258	2,482,644	1,624,869	163,475
Miscellaneous nondurable goods, wholesale trade not allocable.....	15,291	29,420	21,984	263,305	225,565	219,946	16,584,754	5,718,736	4,492,363	403,085

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 1.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Minor industry	Foreign tax credit	Investment credit	Jobs credit	Total income tax after credits <sup>1</sup>	Distributions to stockholders except in own stock		Total assets	Net worth	Depreciable assets	Depreciation deduction
					All returns	Returns with net income				
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>Wholesale and retail trade — Continued</b>										
Retail trade ..	116,169	654,949	515,214	5,191,527	2,735,592	2,646,874	233,287,520	81,464,137	90,915,574	7,962,110
Building materials, garden supplies, and mobile home dealers ..	54	35,862	51,673	508,223	121,799	119,606	17,128,477	7,098,198	4,986,192	437,683
Building materials dealers ..	54	26,823	34,392	421,860	99,517	97,989	11,733,681	5,271,317	3,577,566	307,827
Hardware stores ..	—	4,726	10,034	60,619	15,321	14,987	2,874,942	1,287,147	702,046	62,909
Garden supplies and mobile home dealers ..	—	4,313	7,247	25,745	6,961	6,630	2,519,853	539,734	706,581	66,948
General merchandise stores ..	72,361	153,018	18,053	1,342,251	1,082,602	1,075,972	57,343,413	22,360,712	20,310,969	1,407,020
Food stores ..	23,771	139,615	52,617	800,508	372,745	371,943	28,073,094	9,996,966	17,241,945	1,385,580
Grocery stores ..	23,771	135,660	49,944	779,472	361,331	360,529	26,893,598	9,638,679	16,400,910	1,306,836
Other food stores ..	—	3,955	2,673	21,036	11,413	11,413	1,179,496	358,287	841,035	78,744
Automotive dealers and service stations ..	26	75,615	123,225	573,288	170,977	167,178	47,336,665	11,783,421	12,038,202	1,404,459
Motor vehicle dealers ..	24	48,375	92,218	406,011	104,948	102,608	35,668,229	8,075,508	8,060,725	1,002,932
Gasoline service stations ..	—	12,700	9,813	65,615	22,124	21,508	4,271,799	1,569,229	2,129,076	193,133
Other automotive dealers ..	3	14,541	21,194	101,661	43,906	43,063	7,396,636	2,138,684	1,848,401	208,395
Apparel and accessory stores ..	*100	25,767	37,661	467,745	244,551	234,409	12,564,831	5,877,823	3,593,544	334,663
Furniture and home furnishings stores ..	21	13,670	29,469	248,815	68,777	67,959	11,511,337	4,190,123	2,668,375	262,750
Eating and drinking places ..	6,828	102,219	110,738	347,548	236,995	225,859	20,365,980	5,783,497	16,386,277	1,434,284
Miscellaneous retail stores ..	13,006	109,182	91,778	903,149	437,146	384,309	38,963,723	14,373,396	13,690,070	1,295,672
Drug stores and proprietary stores ..	1,072	16,576	11,792	252,033	109,472	106,646	6,913,185	3,095,754	2,423,016	189,795
Liquor stores ..	—	3,165	2,209	22,028	35,860	10,240	2,164,778	494,609	854,034	69,875
Other retail stores ..	11,934	89,441	77,778	629,089	291,815	267,422	29,885,762	10,783,033	10,413,020	1,036,002
Wholesale and retail trade not allocable ..	—	586	*394	1,830	*2,986	—	258,068	79,128	109,444	13,752
<b>Finance, insurance, and real estate</b>										
Finance ..	1,103,998	695,842	204,232	9,908,261	13,599,824	12,811,373	3,249,397,057	365,539,650	125,555,463	9,349,094
Banking ..	767,374	357,311	78,764	1,829,535	3,280,342	3,074,724	1,725,421,986	119,217,841	31,492,741	3,627,860
Mutual savings banks ..	107	5,761	4,108	183,987	—	—	155,000,387	8,129,322	1,740,562	110,408
Bank holding companies ..	751,207	283,430	23,159	830,525	3,222,436	2,220,985	1,136,303,609	78,972,623	20,171,762	2,738,134
Banks, except mutual savings banks and bank holding companies ..	16,060	68,120	51,496	815,023	957,906	853,740	434,117,990	32,115,896	9,520,417	779,318
Credit agencies other than banks ..	42,742	69,446	30,107	1,901,721	862,474	730,956	640,407,256	33,040,386	12,923,473	914,652
Savings and loan associations ..	24	18,839	19,146	1,260,188	180,915	179,665	495,664,652	16,543,721	7,535,428	399,190
Personal credit institutions ..	17,930	36,634	2,079	192,147	248,818	248,596	33,039,511	4,632,350	2,580,441	311,684
Business credit institutions ..	*2,708	5,927	350	133,504	20,600	20,564	15,042,192	2,070,681	1,022,698	60,314
Other credit agencies, finance not allocable ..	22,079	8,046	8,532	315,882	412,141	282,131	96,660,900	9,793,633	2,604,906	143,465
Security, commodity brokers and services ..	4,790	21,099	8,328	236,091	173,183	163,330	55,232,583	5,267,490	1,008,229	143,249
Security brokers, dealers, and flotation companies ..	4,668	18,869	6,423	188,369	152,471	144,615	51,675,040	4,360,683	717,598	117,160
Commodity contracts brokers and dealers; security and commodity exchanges; and allied services ..	*122	2,229	1,905	47,722	20,713	18,715	3,557,543	906,806	290,631	26,089
Insurance ..	221,016	158,564	23,131	4,091,592	2,965,359	2,923,136	584,039,465	86,487,956	10,339,788	1,468,468
Life insurance ..	82,625	66,656	5,316	2,772,714	1,072,088	1,056,372	388,647,009	30,741,374	3,184,028	669,105
Mutual insurance, except life or marine and certain fire or flood insurance companies ..	17,841	18,640	5,279	409,450	—	—	42,175,544	11,825,683	667,177	121,647
Other insurance companies ..	130,550	73,268	12,536	909,428	1,893,271	1,866,763	153,216,913	43,920,900	6,488,582	677,716
Insurance agents, brokers, and service ..	11,867	14,842	19,008	341,847	279,941	272,214	13,418,085	3,843,432	1,428,577	189,826
Real estate ..	4,742	63,543	39,545	1,164,100	859,864	770,764	114,228,660	26,869,749	63,075,539	2,784,686
Real estate operators and lessors of buildings ..	4,051	32,180	7,677	625,203	445,626	404,763	62,676,723	16,801,101	50,434,890	2,094,936
Lessors of mining, oil, and similar property ..	*136	1,271	*7	20,396	25,255	25,255	686,629	280,096	471,929	23,804
Lessors of railroad property, and of real property, not elsewhere classified ..	*111	2,241	*134	20,389	16,295	16,071	2,425,371	1,040,961	997,856	52,426
Condominium management and cooperative housing associations ..	—	*35	*6	738	*2,155	*2,155	2,655,840	745,350	2,456,678	56,219
Subdividers and developers ..	*361	10,200	8,312	316,908	174,319	165,412	28,529,336	4,584,749	4,122,942	227,682
Other real estate ..	*82	17,614	23,410	180,466	196,215	157,109	17,254,761	3,417,493	4,591,244	327,620
Holding and other investment companies, except bank holding companies ..	51,466	11,037	4,849	343,375	5,178,661	4,876,249	116,649,022	90,812,795	5,347,118	220,352
Regulated investment companies ..	—	—	—	*15	3,973,347	3,809,251	70,706,248	67,542,075	3,018	156
Real estate investment trusts ..	—	—	—	39	152,197	94,564	7,793,943	2,629,291	2,804	255
Small business investment companies ..	—	*110	*66	7,643	*10,059	*9,212	837,415	366,127	46,610	1,719
Other holding and investment companies, except bank holding companies ..	51,466	10,928	4,782	335,677	1,043,057	963,222	37,311,415	20,275,302	2,493,235	131,415
<b>Services</b>										
Services ..	140,459	500,305	386,149	2,158,326	1,490,937	1,412,812	134,379,134	38,830,266	66,863,656	10,354,225
Hotels and other lodging places ..	*6,100	36,165	20,077	272,963	131,431	126,107	16,302,224	4,019,000	1,648,744	798,813
Personal services ..	*6,658	22,528	18,651	129,660	105,852	105,451	6,319,852	2,658,822	4,941,192	479,057
Business services ..	60,653	165,053	144,737	738,231	402,540	378,991	40,914,190	11,849,333	20,765,229	2,755,855
Advertising ..	31,674	15,026	15,505	162,891	68,324	63,414	5,683,986	1,704,927	1,630,142	161,644
Business services, except advertising ..	28,980	150,028	129,232	575,340	334,215	315,577	35,230,204	10,144,406	19,135,087	2,594,210
Auto repair, miscellaneous repair services ..	*54	55,571	38,873	146,219	91,292	73,962	16,504,154	3,758,982	14,664,584	2,623,167
Auto repair and services ..	54	47,040	21,826	100,904	60,359	46,788	14,556,707	2,942,666	13,714,582	2,514,335
Miscellaneous repair services ..	*1	8,531	17,047	45,315	30,933	27,174	1,947,447	816,316	950,003	108,832
Amusement and recreation services ..	48,138	110,525	29,979	379,572	295,298	280,086	22,950,851	7,006,297	14,228,474	2,022,703
Motion picture production, distribution, and services ..	44,441	71,130	4,823	98,155	116,956	115,767	9,733,783	2,636,984	2,506,786	1,213,555
Motion picture theaters ..	*15	8,937	5,435	45,612	16,552	16,253	2,018,780	763,213	1,711,089	112,886
Amusement and recreation services, except motion pictures ..	*3,683	30,458	19,721	235,806	161,791	148,067	11,198,287	3,606,100	10,010,600	696,262
Other services ..	18,856	110,463	133,832	491,680	464,525	448,215	31,387,863	9,537,833	18,615,432	1,674,629
Offices of physicians, including osteopathic physicians ..	—	24,759	19,970	76,729	11,723	10,500	3,583,496	1,551,920	2,625,872	321,045
Offices of dentists ..	—	8,357	8,642	11,077	9,125	8,760	934,756	420,755	903,693	112,229
Offices of other health practitioners ..	—	621	*656	2,895	*1,897	*1,379	170,998	70,614	105,804	13,037
Nursing and personal care facilities ..	—	7,582	20,705	41,553	56,780	56,178	5,034,743	631,535	4,049,877	214,566
Hospitals ..	3,627	14,738	2,881	39,789	108,331	107,765	3,768,235	1,253,630	2,617,055	164,322
Medical laboratories ..	—	2,272	*1,581	6,074	*3,890	*3,890	541,870	260,668	304,261	33,313
Other medical services ..	—	6,739	6,865	39,049	19,362	19,362	1,706,275	517,626	904,198	85,509
Legal services ..	—	7,103	8,568	12,540	26,508	26,508	1,015,774	334,088	648,769	79,208
Educational services ..	*1,519	4,775	10,170	35,343	20,451	20,369	1,474,861	461,280	776,579	74,230
Social services ..	—	*164	*427	*1,809	*2,565	*2,562	239,052	60,702	141,270	9,232
Membership organizations ..	*140	1,184	1,567	11,866	*4,421	*4,269	1,217,835	557,407	637,421	39,152
Architectural and engineering services ..	10,326	13,375	36,038	101,059	80,264	79,068	4,136,951	1,715,303	1,425,563	170,832
Accounting, auditing, and bookkeeping services ..	—	1,309	3,215	7,866	21,025	19,817	449,767	132,357	223,549	31,132
Miscellaneous services (including veterinarians), not elsewhere classified ..	*3,243	17,486	12,546	104,030	98,181	87,787	7,113,350	1,569,950	3,251,523	326,821
Nature of business not allocable ..	( <sup>2</sup> )	5,882	6,063	47,726	16,848	16,618	2,013,976	701,432	795,195	78,445

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 1.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Coefficient of variation (Percent)									
	Number of returns		Total receipts		Business receipts	Cost of sales and operations	Net income	Deficit	Income subject to tax	Total income tax
	Total	With net income	All returns	Returns with net income						
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>Total returns of active corporations.....</b>	<b>0.16</b>	<b>0.52</b>	<b>0.16</b>	<b>0.17</b>	<b>0.18</b>	<b>0.21</b>	<b>0.11</b>	<b>1.06</b>	<b>0.12</b>	<b>0.11</b>
<b>Agriculture, forestry, and fishing.....</b>	<b>3.49</b>	<b>4.24</b>	<b>2.86</b>	<b>3.26</b>	<b>2.97</b>	<b>3.43</b>	<b>3.05</b>	<b>7.09</b>	<b>3.40</b>	<b>3.41</b>
Agricultural production.....	3.79	4.56	3.13	3.54	3.25	3.76	3.30	7.81	3.66	3.63
Agricultural services (except veterinarians), forestry, fishing, hunting, and trapping.....	7.83	9.60	7.00	7.89	7.12	8.24	7.94	16.02	8.80	9.16
<b>Mining.....</b>	<b>5.95</b>	<b>7.27</b>	<b>0.74</b>	<b>0.77</b>	<b>0.76</b>	<b>1.25</b>	<b>0.20</b>	<b>3.01</b>	<b>0.17</b>	<b>0.18</b>
Metal mining.....	30.44	40.28	0.64	0.80	0.67	0.62	1.98	7.76	1.34	1.52
Iron ores.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Copper, lead and zinc, gold and silver ores.....	48.47	42.52	0.56	0.75	0.64	0.33	1.72	16.88	1.49	1.76
Other metal mining.....	38.49	50.36	4.59	4.67	4.60	6.02	15.18	14.92	25.52	17.02
Coal mining.....	13.64	16.02	3.09	4.26	3.19	3.57	5.68	5.55	5.42	4.79
Oil and gas extraction.....	7.88	9.70	0.78	0.79	0.80	1.57	0.17	3.96	0.15	0.13
Crude petroleum, natural gas, and natural gas liquids.....	11.29	14.62	0.31	0.28	0.30	0.55	0.09	4.03	0.07	0.07
Oil and gas field services.....	10.65	12.94	4.22	4.63	4.53	6.59	2.64	10.16	2.88	2.43
Nonmetallic minerals, except fuels.....	12.37	12.15	3.40	4.15	3.43	3.72	5.39	14.26	5.39	5.06
Dimension, crushed, and broken stone, sand and gravel.....	13.00	13.20	4.61	4.83	4.66	4.96	6.00	22.81	5.91	5.69
Other nonmetallic minerals, except fuels.....	34.00	31.07	3.77	7.28	3.77	4.01	12.07	14.91	13.05	11.10
<b>Construction.....</b>	<b>2.03</b>	<b>2.44</b>	<b>1.24</b>	<b>1.36</b>	<b>1.26</b>	<b>1.31</b>	<b>1.50</b>	<b>3.33</b>	<b>1.60</b>	<b>1.57</b>
General building contractors and operative builders.....	3.16	3.87	1.96	2.10	2.00	2.07	2.25	4.78	2.38	2.29
General building contractors.....	3.26	4.00	2.08	2.24	2.11	2.19	2.43	5.01	2.57	2.50
Operative builders.....	12.64	14.26	4.75	4.92	4.90	5.12	4.73	15.80	5.13	4.69
Heavy construction contractors.....	8.50	7.09	2.31	2.55	2.35	2.42	2.73	8.00	2.75	2.63
Special trade contractors.....	3.02	3.54	2.25	2.50	2.26	2.34	2.85	5.73	3.16	3.32
Plumbing, heating, and air conditioning.....	8.25	7.22	4.49	5.07	4.51	4.59	5.84	11.87	6.44	6.51
Electrical work.....	7.73	8.77	4.89	5.52	4.92	4.93	6.89	11.65	7.62	7.84
Other special trade contractors and contractors not allocable.....	3.93	4.65	3.09	3.39	3.11	3.26	3.72	7.76	4.13	4.37
<b>Manufacturing.....</b>	<b>1.82</b>	<b>2.01</b>	<b>0.18</b>	<b>0.18</b>	<b>0.18</b>	<b>0.20</b>	<b>0.17</b>	<b>1.39</b>	<b>0.16</b>	<b>0.15</b>
Food and kindred products.....	6.65	6.82	0.86	0.86	0.87	1.01	0.68	5.08	0.64	0.60
Meat products.....	14.49	14.44	2.61	2.70	2.63	2.77	3.25	13.45	3.19	3.02
Dairy products.....	15.78	19.12	2.24	2.15	2.25	2.45	1.18	20.69	1.13	1.03
Preserved fruits and vegetables.....	26.62	13.54	2.18	2.19	2.23	2.76	1.35	28.26	1.26	1.22
Grain mill products.....	17.79	19.68	1.50	1.41	1.52	1.75	1.05	25.53	0.99	0.91
Bakery products.....	19.09	23.34	3.79	3.54	3.81	4.06	4.42	24.82	4.18	4.00
Sugar and confectionery products.....	31.82	33.67	3.87	6.09	3.93	4.86	3.24	6.66	3.16	3.02
Malt liquors and malt.....	23.97	(*)	1.04	(*)	1.03	1.35	(*)	6.73	(*)	(*)
Alcoholic beverages, except malt liquors and malt.....	45.84	56.93	0.88	0.91	0.90	0.50	1.24	9.03	0.97	0.93
Bottled soft drinks, and flavorings.....	15.12	13.41	2.83	2.39	2.89	3.62	2.12	31.59	1.95	1.87
Other food and kindred products.....	15.78	15.74	1.82	1.96	1.84	1.97	2.21	13.02	2.17	1.97
Tobacco manufactures.....	43.28	**	0.24	**	0.25	0.32	(*)	**	0.32	0.27
Textile mill products.....	10.53	11.56	1.83	1.88	1.84	1.92	1.83	9.45	1.76	1.64
Weaving mills and textile finishing.....	24.66	19.29	2.09	2.10	2.10	2.13	2.18	18.37	2.26	2.14
Knitting mills.....	19.21	23.86	5.44	5.70	5.49	5.75	5.21	48.12	4.82	4.59
Other textile mill products.....	14.52	15.91	2.94	3.08	2.95	3.09	2.82	16.62	2.76	2.59
Apparel and other textile products.....	7.39	8.18	2.46	2.56	2.49	2.54	2.36	7.38	2.29	2.09
Men's and boys' clothing.....	14.98	16.65	3.66	3.82	3.74	3.82	2.49	13.59	2.25	2.10
Women's and children's clothing.....	10.30	11.46	3.89	4.03	3.91	3.97	4.47	11.46	4.40	4.05
Other apparel and accessories.....	22.89	23.73	10.38	10.71	10.41	10.70	11.05	44.97	11.07	10.59
Miscellaneous fabricated textile products, not elsewhere classified.....	15.74	18.21	6.77	7.33	6.81	6.92	7.55	13.79	7.71	7.39
Lumber and wood products.....	7.45	8.00	1.65	1.65	1.71	1.83	1.49	11.34	1.40	1.53
Logging, sawmills, and planing mills.....	12.03	12.85	2.34	2.33	2.49	2.68	2.15	15.73	1.87	2.23
Millwork, plywood, and related products.....	13.36	14.20	2.59	2.60	2.65	2.86	2.39	28.16	2.27	2.39
Other wood products, including wood buildings and mobile homes.....	13.52	14.73	4.26	4.32	4.34	4.52	4.09	19.59	4.39	4.13
Furniture and fixtures.....	10.80	12.34	3.35	3.64	3.38	3.43	3.38	10.65	3.44	3.33
Paper and allied products.....	10.43	11.53	1.01	1.00	1.04	1.10	0.78	9.73	0.74	0.73
Pulp, paper, and board mills.....	29.72	24.36	0.43	0.29	0.44	0.51	0.14	16.09	0.13	0.14
Other paper products.....	11.08	12.20	2.46	2.57	2.50	2.73	1.56	12.05	1.51	1.41
Printing and publishing.....	5.55	6.36	1.44	1.47	1.47	1.58	1.21	8.77	1.18	1.12
Newspapers.....	13.47	14.96	1.77	1.73	1.81	2.02	1.30	20.95	1.18	1.11
Periodicals.....	18.42	19.84	3.87	4.05	3.84	4.36	3.62	17.96	3.46	3.36
Books, greeting cards, and miscellaneous publishing.....	16.38	20.54	2.22	2.20	2.28	2.49	1.67	19.46	1.52	1.37
Commercial and other printing and printing trade services.....	7.17	8.07	3.13	3.30	3.15	3.18	3.77	13.32	3.88	3.88
<b>Chemicals and allied products.....</b>	<b>8.93</b>	<b>9.79</b>	<b>0.48</b>	<b>0.48</b>	<b>0.51</b>	<b>0.59</b>	<b>0.34</b>	<b>3.75</b>	<b>0.32</b>	<b>0.29</b>
Industrial chemicals, plastics materials and synthetics.....	14.41	15.44	0.70	0.83	0.72	0.88	0.54	6.73	0.52	0.49
Drugs.....	30.46	35.49	0.56	0.47	0.58	0.74	0.28	5.83	0.26	0.24
Soap, cleaners, and toilet goods.....	25.77	29.82	1.03	0.87	1.06	1.17	0.58	12.56	0.52	0.46
Paints and allied products.....	21.80	23.49	4.81	8.05	4.83	4.89	6.51	13.75	6.47	6.17
Agricultural and other chemical products.....	17.37	18.91	1.77	2.12	1.82	1.96	2.06	7.02	1.88	1.75
Petroleum (including integrated) and coal products.....	28.08	31.17	0.10	0.10	0.10	0.11	0.08	4.08	0.08	0.08
Petroleum refining (including integrated).....	28.34	33.74	0.08	0.08	0.08	0.09	0.05	4.05	0.04	0.04
Petroleum and coal products, not elsewhere classified.....	32.80	40.10	8.39	8.65	8.42	8.82	8.90	18.60	7.65	7.49
Rubber and miscellaneous plastics products.....	9.05	9.90	1.50	1.51	1.52	1.67	2.32	11.83	2.32	2.11
Rubber products; plastics footwear, hose and belting.....	20.82	21.35	0.89	0.87	1.01	1.05	1.85	23.52	1.83	1.78
Miscellaneous plastics products.....	10.03	11.10	3.75	4.11	3.78	3.95	4.21	12.82	4.31	4.04
Leather and leather products.....	18.31	20.22	3.27	3.85	3.30	3.69	3.01	18.82	3.19	3.02
Footwear, except rubber.....	31.18	38.27	2.78	2.82	2.83	3.21	2.04	21.89	2.18	2.02
Leather and leather products, not elsewhere classified.....	22.41	23.59	8.98	8.79	8.98	8.22	10.98	24.04	11.88	12.32

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

**Table 1.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry — Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Coefficient of variation (Percent)									
	Number of returns		Total receipts		Business receipts	Cost of sales and operations	Net income	Deficit	Income subject to tax	Total income tax
	Total	With net income	All returns	Returns with net income						
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>Manufacturing — Continued</b>										
Stone, clay, and glass products .....	8.47	8.80	1.54	1.55	1.57	1.66	1.37	7.85	1.24	1.15
Glass products .....	28.86	31.98	1.50	1.43	1.55	1.66	1.57	22.81	1.59	1.50
Cement, hydraulic .....	43.49	47.46	2.48	2.73	2.54	2.45	1.52	0.83	1.54	1.20
Concrete, gypsum, and plaster products .....	10.53	10.38	3.53	3.62	3.58	3.80	3.29	9.34	2.90	2.75
Other nonmetallic mineral products .....	17.00	17.80	2.93	2.92	2.99	3.12	2.15	27.16	2.11	1.91
Primary metal industries .....	11.26	12.25	0.48	0.54	0.49	0.53	0.70	3.26	0.71	0.66
Ferrous metal industries; miscellaneous .....										
Primary metal products .....	14.92	16.81	0.48	0.57	0.48	0.50	0.93	3.52	0.95	0.88
Nonferrous metal industries .....	17.06	17.82	1.00	1.02	1.04	1.13	1.06	7.90	1.08	1.01
Fabricated metal products .....	4.72	4.95	1.29	1.35	1.30	1.35	1.48	6.01	1.50	1.47
Metal cans and shipping containers .....	36.59	38.48	1.39	1.33	1.41	1.48	1.18	56.96	1.17	1.13
Cutlery, hand tools, and hardware, screw machine products, bolts, and similar products .....	14.22	14.68	3.05	3.15	3.09	3.33	2.75	17.68	2.76	2.57
Plumbing and heating, except electric and warm air .....	29.16	33.23	3.05	2.95	3.10	3.23	2.57	44.97	2.56	2.43
Fabricated structural metal products .....	9.12	9.46	2.41	2.58	2.43	2.42	2.72	7.19	2.70	2.55
Metal forgings and stampings .....	13.38	13.90	4.90	5.20	4.92	4.89	7.82	21.08	8.15	8.41
Coating, engraving, and allied services .....	18.01	20.13	6.27	6.32	6.29	6.16	8.32	33.84	8.52	8.23
Ordnance and accessories, except vehicles and guided missiles .....	66.41	69.97	5.96	6.06	6.02	5.15	6.97	29.93	7.11	6.48
Miscellaneous fabricated metal products .....	7.60	7.83	2.99	3.20	3.01	3.23	2.84	11.68	2.84	2.74
Machinery, except electrical .....	5.53	5.89	0.59	0.59	0.62	0.65	0.47	4.95	0.45	0.40
Farm machinery .....	19.31	17.80	2.27	2.27	2.35	2.56	2.34	5.15	2.31	2.08
Construction and related machinery .....	17.12	16.65	0.98	0.98	1.01	1.05	0.90	11.69	0.85	0.80
Metalworking machinery .....	10.27	10.71	3.59	3.73	3.65	3.85	3.61	16.61	3.50	3.30
Special industry machinery .....	13.25	14.37	2.92	3.02	2.99	3.03	3.55	13.67	3.48	3.26
General industrial machinery .....	16.83	18.23	1.65	1.68	1.67	1.58	2.19	18.28	2.22	2.05
Office, computing, and accounting machines .....	32.98	40.46	0.29	0.25	0.34	0.34	0.16	7.20	0.15	0.14
Other machinery, except electrical .....	11.62	12.45	2.37	2.45	2.41	2.39	2.52	17.85	2.53	2.25
Electrical and electronic equipment .....	7.53	8.00	0.54	0.55	0.55	0.58	0.66	4.99	0.64	0.60
Household appliances .....	37.22	37.69	0.93	0.93	0.95	0.98	1.17	20.12	0.98	0.64
Radio, television, and communication equipment .....	21.39	22.96	0.70	0.72	0.73	0.72	1.26	10.76	1.27	1.21
Electronic components and accessories .....	11.14	11.91	1.48	1.57	1.52	1.49	2.06	6.38	1.99	1.88
Other electrical equipment .....	12.20	12.86	0.86	0.85	0.89	0.97	0.78	13.05	0.78	0.72
Motor vehicles and equipment .....	16.27	17.89	0.25	0.27	0.26	0.27	0.23	3.02	0.22	0.20
Transportation equipment, except motor vehicles .....	16.03	18.80	0.75	0.91	0.78	0.84	1.03	2.81	1.14	1.06
Aircraft, guided missiles and parts .....	16.25	18.39	0.42	0.48	0.43	0.44	0.75	2.52	0.80	0.74
Ship and boat building and repairing .....	28.53	33.09	4.67	4.92	4.80	4.81	5.39	23.29	6.03	5.86
Other transportation equipment, except motor vehicles .....	25.64	28.94	3.64	3.50	3.70	3.98	4.24	32.43	4.19	3.98
Instruments and related products .....	12.56	14.16	1.23	1.25	1.26	1.44	1.00	10.41	0.94	0.87
Scientific instruments and measuring devices; watches and clocks .....	20.30	21.11	2.15	2.24	2.21	2.27	2.64	15.31	2.60	2.48
Optical, medical, and ophthalmic goods .....	17.40	20.45	2.59	2.57	2.66	3.11	2.07	20.16	1.81	1.57
Photographic equipment and supplies .....	34.45	37.15	1.19	1.27	1.22	1.52	0.72	16.21	0.68	0.63
Miscellaneous manufacturing and manufacturing not allocable .....	8.60	**	2.27	**	2.29	2.44	**	7.79	2.26	2.13
<b>Transportation and public utilities .....</b>	<b>3.36</b>	<b>4.13</b>	<b>0.43</b>	<b>0.42</b>	<b>0.43</b>	<b>0.53</b>	<b>0.33</b>	<b>1.90</b>	<b>0.30</b>	<b>0.26</b>
Transportation .....	3.89	4.79	1.04	1.08	1.07	1.21	0.97	2.06	0.95	0.85
Railroad transportation .....	29.40	33.91	0.20	0.26	0.21	0.21	0.81	0.11	0.82	0.82
Local and interurban passenger transit .....	11.40	15.76	9.96	10.36	10.10	11.04	11.75	21.70	13.11	14.16
Trucking and warehousing .....	5.51	6.37	2.14	2.20	2.16	2.39	2.44	10.17	2.46	2.24
Water transportation .....	13.59	17.48	3.48	4.14	3.61	4.09	3.65	6.08	4.77	4.57
Transportation by air .....	13.35	19.70	1.14	1.09	1.18	1.27	0.99	12.53	0.82	0.74
Pipelines, except natural gas .....	25.86	28.68	2.69	2.56	2.71	3.16	1.71	32.45	1.94	1.86
Transportation services, not elsewhere classified .....	8.99	11.43	6.37	6.86	6.59	7.35	5.36	14.91	5.36	5.28
Communication .....	9.07	10.62	0.33	0.31	0.33	0.38	0.42	12.47	0.39	0.34
Telephone, telegraph, and other communication services .....	13.84	15.88	0.21	0.19	0.21	0.25	0.27	19.10	0.25	0.21
Radio and television broadcasting .....	12.03	14.21	1.99	1.93	2.02	1.95	1.85	16.46	1.74	1.59
Electric, gas, and sanitary services .....	9.59	11.93	0.21	0.20	0.21	0.20	0.30	3.82	0.25	0.21
Electric services .....	50.36	52.77	0.11	0.12	0.11	0.13	0.07	0.29	0.07	0.03
Gas production and distribution .....	21.92	25.48	0.28	0.28	0.28	0.29	0.43	7.52	0.37	0.33
Combination utility services .....	43.51	32.13	0.18	0.15	0.18	0.26	0.11	8.00	0.11	0.09
Water supply and other sanitary services .....	10.96	13.95	5.65	5.50	5.79	6.02	5.65	16.10	5.28	4.90
<b>Wholesale and retail trade .....</b>	<b>0.98</b>	<b>1.19</b>	<b>0.50</b>	<b>0.51</b>	<b>0.50</b>	<b>0.55</b>	<b>0.47</b>	<b>2.10</b>	<b>0.57</b>	<b>0.54</b>
Wholesale trade .....	1.73	1.91	0.72	0.76	0.72	0.77	0.64	2.79	0.90	0.88
Groceries and related products .....	5.69	6.32	2.23	2.36	2.24	2.31	2.66	9.69	2.87	2.74
Machinery, equipment, and supplies .....	4.04	4.36	1.67	1.81	1.69	1.74	1.34	7.88	2.26	2.25
Miscellaneous wholesale trade .....	2.09	2.31	0.84	0.89	0.85	0.90	0.78	3.13	1.06	1.03
Motor vehicles and automotive equipment .....	6.50	7.13	2.44	2.52	2.45	2.55	1.95	7.35	3.18	3.10
Furniture and home furnishings .....	14.01	16.08	7.78	8.36	7.80	8.24	9.67	21.43	10.49	10.54
Lumber and construction materials .....	7.86	8.09	4.05	4.17	4.06	4.29	4.08	18.26	4.52	4.68
Sporting, recreational, photographic, and hobby goods, toys, and supplies .....	19.25	23.11	6.85	7.72	6.89	7.13	8.26	17.63	9.31	9.06
Metals and minerals, except petroleum and scrap .....	11.50	12.35	2.72	2.98	2.73	2.76	3.34	10.93	3.69	3.31
Electrical goods .....	7.41	8.18	2.76	2.96	2.76	2.87	2.03	11.88	3.74	3.58
Hardware, plumbing, and heating equipment and supplies .....	7.67	7.87	3.50	3.66	3.52	3.58	4.46	17.23	4.71	4.79
Other durable goods .....	5.63	6.25	2.95	2.83	2.98	3.31	2.55	8.82	3.74	3.86
Paper and paper products .....	12.48	13.36	5.08	5.12	5.10	5.15	5.57	30.24	7.49	7.10
Drugs, drug propnetaries, and druggists' sundries .....	18.14	19.34	5.62	6.10	5.64	5.84	6.03	20.30	10.14	10.18
Apparel, piece goods, and notions .....	8.33	9.49	3.62	3.85	3.62	3.66	4.67	12.55	4.96	4.89
Farm-product raw materials .....	7.78	8.46	2.86	2.92	2.88	2.99	2.78	10.43	3.64	3.21
Chemicals and allied products .....	14.18	15.49	3.05	2.99	3.07	3.14	1.97	16.65	7.85	7.67
Petroleum and petroleum products .....	6.47	6.74	2.00	2.11	2.00	1.98	1.69	5.13	1.58	1.32
Alcoholic beverages .....	11.84	11.29	4.44	4.56	4.45	4.51	4.79	19.92	5.32	5.31
Miscellaneous nondurable goods; wholesale trade not allocable .....	6.00	7.01	2.95	3.63	2.96	3.14	3.22	10.28	4.23	4.26

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 1.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Coefficient of variation (Percent)									
	Number of returns		Total receipts		Business receipts	Cost of sales and operations	Net income	Deficit	Income subject to tax	Total income tax
	Total	With net income	All returns	Returns with net income						
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>Wholesale and retail trade — Continued</b>										
Retail trade	1.34	1.63	0.76	0.75	0.77	0.85	0.76	3.15	0.76	0.71
Building materials, garden supplies, and mobile home dealers	4.71	5.08	2.99	2.87	2.98	3.00	3.12	19.71	3.23	3.30
Building materials dealers	6.31	6.63	3.64	3.31	3.62	3.59	3.61	30.91	3.66	3.72
Hardware stores	8.95	9.76	7.29	7.80	7.32	7.70	7.89	24.21	8.42	8.60
Garden supplies and mobile home dealers	11.06	12.39	7.58	8.40	7.65	7.86	10.35	17.78	12.02	12.51
General merchandise stores	9.27	10.09	0.67	0.68	0.69	0.77	0.75	10.23	0.67	0.60
Food stores	5.76	6.86	1.57	1.61	1.58	1.63	1.84	9.26	1.65	1.46
Grocery stores	6.44	7.39	1.58	1.60	1.58	1.64	1.73	10.28	1.63	1.43
Other food stores	12.55	16.71	11.33	14.23	11.32	12.32	17.67	21.30	16.13	16.96
Automotive dealers and service stations	3.11	3.46	1.76	1.93	1.76	1.80	2.30	6.32	2.49	2.66
Motor vehicle dealers	3.69	3.77	1.99	2.17	2.00	2.02	2.64	7.82	2.86	3.12
Gasoline service stations	8.63	10.01	6.03	7.04	6.05	6.13	7.91	15.45	8.42	8.73
Other automotive dealers	5.92	6.72	4.22	4.59	4.23	4.35	5.48	14.14	6.02	6.35
Apparel and accessory stores	4.99	5.84	2.93	3.17	2.95	3.04	3.39	10.66	3.49	3.35
Furniture and home furnishings stores	5.05	5.71	3.32	3.59	3.37	3.63	3.64	10.40	3.84	3.68
Eating and drinking places	3.41	4.57	3.02	3.55	3.07	3.16	3.04	6.49	3.15	2.83
Miscellaneous retail stores	2.81	3.38	2.63	1.87	2.67	3.13	1.96	6.08	1.95	1.77
Drug stores and proprietary stores	6.98	8.09	3.13	2.94	3.13	3.13	3.44	17.19	2.84	1.88
Liquor stores	9.70	11.69	25.03	10.54	25.16	26.53	12.97	26.12	14.14	13.73
Other retail stores	3.29	3.97	2.16	2.34	2.16	2.47	2.36	6.71	2.43	2.31
Wholesale and retail trade not allocable	35.09	35.24	23.49	27.09	23.61	24.68	32.14	59.25	34.45	37.99
<b>Finance, insurance, and real estate</b>	<b>1.36</b>	<b>1.72</b>	<b>0.23</b>	<b>0.20</b>	<b>0.44</b>	<b>0.50</b>	<b>0.33</b>	<b>1.46</b>	<b>0.35</b>	<b>0.28</b>
Banking	2.52	2.01	0.06	0.07	0.29	0.23	0.18	0.96	0.18	0.16
Mutual savings banks	1.15	1.17	0.05	0.05	0.06	(*)	0.07	(*)	0.08	0.05
Bank holding companies	2.62	2.71	0.04	0.04	0.05	0.09	0.09	2.95	0.09	0.08
Banks, except mutual savings banks and bank holding companies	2.82	2.25	0.21	0.25	1.32	2.08	0.53	0.84	0.52	0.49
Credit agencies other than banks	4.37	5.46	0.34	0.36	1.35	2.20	0.79	4.39	0.63	0.47
Savings and loan associations	2.39	1.74	0.05	0.05	0.12	(*)	0.07	0.43	0.07	0.04
Personal credit institutions	13.55	14.52	0.54	0.52	0.63	0.03	1.54	24.11	1.66	1.37
Business credit institutions	16.54	18.40	2.05	2.08	2.92	17.81	2.13	24.20	2.05	1.90
Other credit agencies; finance not allocable	5.13	6.95	2.04	2.34	7.15	15.69	3.29	5.66	2.95	2.40
Security, commodity brokers and services	12.76	15.39	2.14	2.49	4.32	24.22	3.68	8.21	4.02	3.63
Security brokers, dealers, and flotation companies	16.30	18.89	1.71	1.98	3.47	4.07	3.70	8.94	3.87	3.27
Commodity contracts brokers and dealers; security and commodity exchanges; and allied services	20.18	26.10	10.86	12.25	13.78	44.19	10.30	20.16	12.94	12.93
Insurance	8.45	9.42	0.10	0.10	0.12	0.14	0.16	1.94	0.18	0.15
Life insurance	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Mutual insurance, except life or marine and certain fire or flood insurance companies	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Other insurance companies	13.39	15.30	0.32	0.31	0.34	0.38	0.45	3.77	0.72	0.61
Insurance agents, brokers, and service	5.16	5.95	5.06	4.42	5.30	11.76	3.33	14.60	3.16	2.73
Real estate	1.99	2.52	2.15	2.54	3.12	4.68	2.00	3.22	2.12	2.11
Real estate operators and lessors of buildings	2.43	2.97	1.92	2.33	3.68	6.68	2.13	3.68	2.27	2.20
Lessor of mining, oil, and similar property	46.65	49.21	6.82	6.73	10.04	2.85	9.28	51.54	9.57	8.31
Lessor of railroad property, and of real property, not elsewhere classified	10.71	14.17	15.52	16.58	31.25	48.22	16.54	17.05	17.02	18.03
Condominium management and cooperative housing associations	15.82	30.58	12.17	23.26	16.06	19.69	32.12	12.37	30.33	22.30
Subdividers and developers	5.13	6.41	2.10	2.46	3.82	4.09	3.68	4.68	3.27	3.04
Other real estate	4.03	5.33	4.16	4.79	4.44	- 6.44	4.60	7.21	5.47	5.66
Holding and other investment companies, except bank holding companies	4.45	5.39	2.32	1.49	11.27	19.53	0.96	4.86	3.83	3.74
Regulated investment companies	16.22	17.61	0.63	0.64	42.04	—	0.66	26.94	85.97	65.06
Real estate investment trusts	14.78	9.04	0.53	0.62	(*)	(*)	1.22	3.24	(*)	(*)
Small business investment companies	28.09	35.74	19.83	24.87	26.90	—	17.41	36.61	24.57	20.36
Other holding and investment companies, except bank holding companies	4.62	5.62	4.65	3.13	11.36	19.65	2.83	5.39	3.88	3.79
<b>Services</b>	<b>1.30</b>	<b>1.77</b>	<b>1.34</b>	<b>1.46</b>	<b>1.37</b>	<b>1.70</b>	<b>1.28</b>	<b>6.55</b>	<b>1.36</b>	<b>1.29</b>
Hotels and other lodging places	6.43	7.82	2.91	2.89	3.05	3.21	2.86	8.39	2.87	2.58
Personal services	5.61	6.87	4.85	5.03	4.93	5.62	5.08	13.62	5.31	4.88
Business services	2.96	3.80	2.53	2.75	2.61	3.37	2.37	5.56	2.42	2.26
Advertising	6.69	10.50	6.51	6.95	6.58	7.65	4.54	18.51	4.18	3.77
Business services, except advertising	3.17	4.09	2.60	2.85	2.70	3.40	2.71	5.81	2.62	2.67
Auto repair; miscellaneous repair services	4.39	5.30	3.47	4.19	3.57	4.52	4.74	8.98	5.13	5.11
Auto repair and services	5.20	6.28	3.70	4.58	3.83	5.08	5.23	9.78	5.59	5.35
Miscellaneous repair services	8.35	9.98	8.36	9.20	8.40	9.27	9.92	22.39	10.89	11.79
Amusement and recreation services	5.09	6.82	2.64	2.70	2.76	3.44	2.79	7.03	2.92	2.89
Motion picture production, distribution, and services	13.45	16.95	4.26	3.89	4.58	6.10	4.15	18.35	4.31	4.20
Motion picture theaters	17.02	20.67	7.27	7.25	7.31	8.08	8.91	31.50	9.60	9.31
Amusement and recreation services, except motion pictures	5.83	8.00	3.80	4.25	3.95	4.76	3.99	7.79	4.23	4.30
Other services	2.21	2.87	2.73	2.98	2.76	3.32	2.76	16.96	3.01	2.99
Offices of physicians, including osteopathic physicians	4.51	5.29	5.57	6.49	5.60	8.25	7.01	13.26	7.24	7.96
Offices of dentists	8.15	9.55	9.01	10.52	9.00	9.49	12.60	23.71	13.24	13.62
Offices of other health practitioners	19.06	21.67	20.96	23.49	20.96	25.38	28.28	46.75	35.04	35.47
Nursing and personal care facilities	9.71	10.75	7.07	6.55	7.20	7.01	8.02	20.02	9.27	9.76
Hospitals	26.09	30.35	17.77	18.43	17.72	16.35	7.33	35.02	5.74	4.67
Medical laboratories	19.38	24.71	16.41	21.98	16.56	17.00	19.25	33.05	20.42	14.82
Other medical services	12.42	15.56	16.17	12.57	18.60	12.66	10.35	27.08	10.93	9.70
Legal services	9.38	11.16	11.13	12.56	11.16	16.52	13.97	26.96	15.10	16.62
Educational services	11.12	13.65	10.30	11.11	10.39	12.23	12.62	27.34	14.07	15.15
Social services	22.94	30.71	28.14	32.85	28.52	37.50	36.58	42.92	45.63	58.54
Membership organizations	14.95	21.17	15.80	13.98	16.80	22.92	14.18	32.87	17.30	15.08
Architectural and engineering services	8.37	10.05	6.14	6.64	6.20	6.63	6.30	14.77	7.20	6.59
Accounting, auditing, and bookkeeping services	13.37	15.61	16.02	17.77	16.16	21.64	19.57	42.65	23.68	26.08
Miscellaneous services (including veterinarians), not elsewhere classified	4.55	6.82	6.55	7.70	8.74	8.44	6.80	32.48	7.08	7.56
<b>Nature of business not allocable</b>	<b>12.38</b>	<b>14.78</b>	<b>11.08</b>	<b>12.26</b>	<b>11.24</b>	<b>12.92</b>	<b>10.31</b>	<b>27.38</b>	<b>11.41</b>	<b>11.43</b>

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 1.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net income, Total income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Coefficient of variation (Percent)								
	Foreign tax credit	Investment credit	Jobs credit	Total income tax after credits <sup>1</sup>	Distributions to stockholders except in own stock		Total assets	Depreciable assets	Depreciation deduction
					All returns	Returns with net income			
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
<b>Total returns of active corporations.....</b>	0.03	0.15	1.00	0.15	0.26	0.24	0.03	0.10	0.14
<b>Agriculture, forestry, and fishing.....</b>	0.07	4.44	10.77	4.00	8.62	8.79	1.88	2.41	2.65
Agricultural production.....	(*)	4.58	11.15	4.28	9.40	9.58	2.17	2.63	2.91
Agricultural services (except veterinarians), forestry, fishing, hunting, and trapping.....	60.49	12.30	20.29	10.79	19.70	20.17	4.86	6.08	6.51
<b>Mining.....</b>	0.02	1.89	7.76	1.63	3.09	3.55	0.39	0.75	1.21
Metal mining.....	3.96	0.84	22.08	0.59	3.84	5.87	0.49	0.55	0.50
Iron ores.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Copper, lead and zinc, gold and silver ores.....	4.77	0.89	29.62	(*)	(*)	(*)	0.50	0.71	0.27
Other metal mining.....	—	78.89	53.15	12.93	28.30	28.33	4.14	4.78	4.90
Coal mining.....	(*)	6.15	20.55	4.79	4.94	9.01	1.34	2.12	2.99
Oil and gas extraction.....	0.01	2.46	10.63	1.98	4.01	4.13	0.44	0.91	1.57
Crude petroleum, natural gas, and natural gas liquids.....	0.01	2.70	13.88	2.32	4.69	4.81	0.41	1.03	1.20
Oil and gas field services.....	0.65	3.45	11.75	3.06	4.02	4.20	1.33	1.83	2.84
Nonmetallic minerals, except fuels.....	(*)	5.95	12.24	5.39	5.85	11.17	2.35	3.05	3.66
Dimension, crushed, and broken stone; sand and gravel.....	(*)	7.04	13.86	5.86	14.97	15.15	4.14	4.63	5.04
Other nonmetallic minerals, except fuels.....	(*)	8.77	20.64	13.08	3.84	14.29	2.01	3.16	4.45
<b>Construction.....</b>	0.63	2.37	3.21	1.82	4.57	5.04	0.87	1.42	1.58
General building contractors and operative builders.....	0.72	3.67	5.34	2.57	7.21	8.35	1.21	1.94	2.15
General building contractors.....	0.72	3.92	5.53	2.87	7.70	9.05	1.29	2.03	2.23
Operative builders.....	(*)	7.29	14.95	4.84	17.86	17.95	3.53	6.70	7.51
Heavy construction contractors.....	0.94	3.69	6.62	2.99	5.78	6.40	1.77	2.53	2.84
Special trade contractors.....	5.95	4.68	4.89	4.15	10.86	11.26	1.91	2.80	2.90
Plumbing, heating, and air conditioning.....	1.04	9.03	9.09	7.94	25.46	26.99	3.81	5.04	5.40
Electrical work.....	(*)	9.95	11.85	9.48	17.14	18.56	4.16	5.76	5.69
Other special trade contractors and contractors not allocable.....	7.51	5.95	6.54	5.49	13.32	13.69	2.65	3.71	3.84
<b>Manufacturing.....</b>	0.04	0.21	1.73	0.20	0.17	0.17	0.09	0.11	0.14
Food and kindred products.....	0.23	0.65	5.07	0.71	0.71	0.72	0.38	0.58	0.64
Meat products.....	(*)	2.99	11.08	3.50	3.50	3.76	1.35	1.84	1.65
Dairy products.....	(*)	2.32	19.35	0.98	0.66	0.67	1.27	1.98	2.05
Preserved fruits and vegetables.....	(*)	1.65	12.58	1.45	1.62	1.62	0.73	1.01	0.75
Grain mill products.....	(*)	1.29	18.65	1.11	0.60	0.58	0.31	1.22	1.27
Bakery products.....	0.23	3.67	20.19	4.18	6.43	6.44	2.72	3.48	4.06
Sugar and confectionery products.....	(*)	5.69	24.72	4.49	4.74	5.00	1.29	1.94	2.49
Malt liquors and malt.....	(*)	(*)	(*)	(*)	1.67	(*)	0.35	0.31	0.48
Alcoholic beverages, except malt liquors and malt.....	(*)	1.12	8.28	1.10	0.17	0.17	0.42	0.73	0.93
Bottled soft drinks, and flavorings.....	0.69	2.28	9.46	2.78	1.96	1.97	1.50	2.47	2.60
Other food and kindred products.....	(*)	4.00	12.66	2.06	2.69	2.88	1.27	1.86	2.17
Tobacco manufactures.....	(*)	0.09	13.18	0.31	0.15	—	0.15	0.16	0.14
Textile mill products.....	0.10	1.96	8.43	1.66	3.43	3.47	1.23	1.38	1.47
Weaving mills and textile finishing.....	(*)	2.89	18.61	2.12	2.05	2.06	1.41	1.52	1.73
Knitting mills.....	(*)	4.75	19.76	4.65	14.24	14.29	3.83	5.00	5.26
Other textile mill products.....	0.13	3.04	10.00	2.60	4.86	4.92	2.02	2.27	2.29
Apparel and other textile products.....	0.13	5.30	9.53	2.19	5.31	5.44	1.77	2.27	2.60
Men's and boys' clothing.....	0.13	3.88	19.22	2.27	3.32	3.44	2.17	2.85	3.19
Women's and children's clothing.....	0.57	10.03	14.63	4.10	12.83	12.96	3.02	3.77	4.46
Other apparel and accessories.....	0.07	17.47	34.91	11.01	37.53	37.53	6.51	10.78	11.23
Miscellaneous fabricated textile products, textile products, not elsewhere classified.....	1.10	14.02	17.50	8.19	16.06	16.07	5.61	7.31	7.36
Lumber and wood products.....	0.31	1.40	7.98	1.70	2.53	2.53	0.90	0.98	1.29
Logging, sawmills, and planing mills.....	(*)	2.34	11.84	2.60	3.85	3.85	1.20	1.52	2.18
Millwork, plywood, and related products.....	0.25	1.72	12.13	2.71	3.21	3.21	1.52	1.26	1.45
Other wood products, including wood buildings and mobile homes.....	10.34	4.86	15.55	4.02	9.50	9.56	2.51	3.09	3.65
Furniture and fixtures.....	0.99	4.52	11.21	3.30	3.28	3.45	2.60	2.82	3.04
Paper and allied products.....	0.02	0.73	9.90	0.88	0.87	0.87	0.54	0.54	0.68
Pulp, paper, and board mills.....	(*)	0.17	4.34	0.14	0.03	0.03	0.22	0.26	0.25
Other paper products.....	0.03	2.35	12.21	1.61	1.85	1.87	1.70	1.83	2.14
Printing and publishing.....	0.07	2.52	6.34	1.13	2.03	2.06	0.97	1.44	1.72
Newspapers.....	0.06	3.13	13.29	1.06	2.78	2.78	1.17	1.72	1.91
Periodicals.....	0.02	5.44	17.40	3.84	6.45	6.56	2.24	2.98	4.67
Books, greeting cards, and miscellaneous publishing.....	0.15	4.04	17.56	1.47	4.49	4.54	1.43	2.24	2.41
Commercial and other printing and printing trade services.....	(*)	4.96	8.43	4.33	4.79	4.91	2.68	3.12	3.72
Chemicals and allied products.....	0.16	0.37	6.67	0.43	0.32	0.32	0.24	0.22	0.30
Industrial chemicals, plastics materials and synthetics.....	0.05	0.41	10.52	0.72	0.72	0.72	0.31	0.23	0.31
Drugs.....	(*)	0.68	15.18	0.40	0.12	0.12	0.30	0.53	0.54
Soap, cleaners, and toilet goods.....	0.84	1.55	17.44	0.48	0.18	0.15	0.78	1.16	1.55
Paints and allied products.....	0.39	9.35	24.71	6.34	10.94	11.25	4.05	3.90	4.76
Agricultural and other chemical products.....	0.03	1.76	12.36	3.14	1.88	2.13	0.85	0.76	1.11
Petroleum (including integrated) and coal products.....	(*)	0.09	6.77	0.21	0.06	0.07	0.04	0.05	0.11
Petroleum refining (including integrated).....	(*)	0.03	2.01	0.11	0.06	0.06	0.03	0.03	0.09
Petroleum and coal products, not elsewhere classified.....	0.25	7.35	26.79	8.68	4.67	4.67	3.96	5.15	5.76
Rubber and miscellaneous plastics products.....	0.15	2.65	8.55	2.51	1.36	1.37	1.07	1.19	1.67
Rubber products; plastics footwear, hose and belting.....	0.11	1.49	15.42	2.16	0.56	0.58	0.66	0.63	0.84
Miscellaneous plastics products.....	0.39	5.56	10.12	4.73	11.29	11.45	2.97	3.46	3.79
Leather and leather products.....	10.28	5.85	14.90	3.03	2.89	2.81	2.43	2.99	3.69
Footwear, except rubber.....	(*)	3.12	22.53	2.00	0.82	0.82	2.09	2.40	2.44
Leather and leather products, not elsewhere classified.....	40.18	16.87	19.57	13.74	19.83	20.65	7.61	9.28	11.59

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 1.1—Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Coefficient of variation (Percent)								
	Foreign tax credit	Investment credit	Jobs credit	Total income tax after credits	Distributions to stockholders except in own stock		Total assets	Depreciable assets	Depreciation deduction
					All returns	Returns with net income			
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
<b>Manufacturing—Continued</b>									
Stone, clay, and glass products .....	0.01	1.41	8.98	1.27	3.65	3.67	0.90	1.03	1.31
Glass products .....	( <sup>2</sup> )	0.91	22.54	1.73	1.16	1.16	0.84	0.65	0.71
Cement, hydraulic .....	( <sup>2</sup> )	1.62	14.25	1.22	1.45	1.48	0.98	0.84	2.46
Concrete, gypsum, and plaster products .....	( <sup>2</sup> )	3.95	13.67	2.75	18.49	18.57	2.41	2.86	3.38
Other nonmetallic mineral products .....	0.02	2.55	14.13	2.30	1.62	1.62	1.84	2.19	2.59
Primary metal industries .....	0.01	0.65	6.93	0.84	0.62	0.74	0.22	0.23	0.30
Ferrous metal industries; miscellaneous primary metal products .....	0.05	0.73	9.08	0.99	1.06	1.39	0.32	0.27	0.34
Nonferrous metal industries .....	( <sup>2</sup> )	1.25	10.66	1.56	0.36	0.39	0.32	0.41	0.58
Fabricated metal products .....	0.51	2.09	4.52	1.62	2.03	1.58	0.94	1.15	1.32
Metal cans and shipping containers .....	( <sup>2</sup> )	1.66	32.02	1.40	0.21	0.15	0.91	0.98	1.10
Cutlery, hand tools, and hardware, screw machine products, bolts, and similar products .....	1.81	5.07	12.83	2.78	2.80	2.83	2.26	3.12	3.47
Plumbing and heating, except electric and warm air .....	0.08	2.84	15.65	2.78	1.59	1.60	2.38	2.51	2.83
Fabricated structural metal products .....	0.58	3.97	8.11	2.77	4.17	4.32	1.59	1.94	2.37
Metal forgings and stampings .....	0.04	8.74	12.68	9.00	4.62	4.62	4.49	5.05	5.44
Coating, engraving, and allied services .....	( <sup>2</sup> )	8.64	20.75	8.51	30.40	16.32	4.67	6.82	7.66
Ordnance and accessories, except vehicles and guided missiles .....	( <sup>2</sup> )	16.75	31.43	6.02	0.06	0.06	5.12	4.41	6.51
Miscellaneous fabricated metal products .....	0.58	4.46	7.74	2.88	4.98	5.12	2.23	2.51	2.93
Machinery, except electrical .....	0.05	0.80	4.67	0.53	0.46	0.35	0.48	0.47	0.47
Farm machinery .....	0.97	2.29	18.01	2.13	3.00	3.03	1.06	1.67	1.84
Construction and related machinery .....	0.01	1.02	9.84	0.88	1.32	1.32	0.64	0.65	0.89
Metalworking machinery .....	0.43	5.75	8.98	3.50	7.71	7.82	2.77	3.56	4.26
Special industry machinery .....	1.17	5.03	11.92	3.85	5.68	5.85	2.26	2.70	2.93
General industrial machinery .....	0.99	3.04	9.59	2.23	2.52	2.54	1.24	1.63	2.08
Office, computing, and accounting machines .....	( <sup>2</sup> )	0.44	10.43	0.25	0.05	0.04	0.16	0.15	0.21
Other machinery, except electrical .....	0.39	5.17	14.43	2.21	1.36	1.43	1.83	3.04	2.78
Electrical and electronic equipment .....	0.32	0.47	6.00	0.76	0.36	0.36	0.30	0.34	0.36
Household appliances .....	0.01	0.92	36.67	0.63	1.30	1.31	0.57	0.75	0.63
Radio, television, and communication equipment .....	0.82	0.93	14.08	2.00	0.20	0.19	0.40	0.59	0.49
Electronic components and accessories .....	0.07	1.42	9.75	2.16	2.66	2.89	0.91	1.16	1.33
Other electrical equipment .....	0.03	0.56	8.40	0.93	0.27	0.27	0.45	0.42	0.44
Motor vehicles and equipment .....	( <sup>2</sup> )	0.20	8.38	0.25	0.26	0.27	0.13	0.17	0.16
Transportation equipment, except motor vehicles .....	0.01	1.78	11.20	1.15	1.52	0.85	0.39	0.53	0.66
Aircraft, guided missiles and parts .....	( <sup>2</sup> )	0.98	13.76	0.92	2.06	1.27	0.29	0.46	0.55
Ship and boat building and repairing .....	14.36	9.18	21.97	4.72	0.35	0.36	1.81	3.80	3.85
Other transportation equipment, except motor vehicles .....	( <sup>2</sup> )	4.90	16.50	4.08	1.09	0.93	2.20	1.69	2.21
Instruments and related products .....	0.46	1.38	8.17	1.04	1.23	1.24	0.85	0.68	0.82
Scientific instruments and measuring devices; watches and clocks .....	1.42	2.91	10.12	2.82	2.03	2.05	1.62	1.60	1.87
Optical, medical, and ophthalmic goods .....	0.95	3.51	14.06	2.08	3.96	3.97	1.66	1.85	2.08
Photographic equipment and supplies .....	( <sup>2</sup> )	1.23	25.65	0.76	1.02	1.04	0.88	0.50	0.63
Miscellaneous manufacturing and manufacturing not allocable .....	4.75	4.42	8.71	2.21	4.05	**	1.56	2.09	2.43
<b>Transportation and public utilities</b>									
Transportation .....	0.28	0.16	4.32	0.41	0.17	0.18	0.10	0.11	0.21
Railroad transportation .....	0.54	0.54	5.25	1.38	1.39	1.40	0.36	0.46	0.78
Local and interurban passenger transit .....	0.05	0.21	40.19	1.98	0.33	0.22	0.14	0.12	0.13
Trucking and warehousing .....	( <sup>2</sup> )	17.74	24.73	18.54	30.76	31.07	7.86	10.31	9.76
Water transportation .....	0.02	2.81	6.74	2.50	5.89	6.09	1.38	1.84	2.00
Transportation by air .....	1.87	4.83	15.27	5.67	7.00	7.29	1.58	2.34	3.27
Pipelines, except natural gas .....	0.18	0.19	16.30	3.31	2.53	2.55	0.50	0.44	0.76
Transportation services, not elsewhere classified .....	( <sup>2</sup> )	1.90	57.00	2.02	1.73	1.73	1.01	2.28	1.81
Communication .....	6.04	4.61	12.11	6.58	9.65	9.68	1.61	2.08	3.20
Telephone, telegraph, and other communication services .....	0.03	0.17	11.15	0.52	0.21	0.21	0.17	0.18	0.19
Radio and television broadcasting .....	( <sup>2</sup> )	0.13	15.19	0.32	0.06	0.06	0.13	0.14	0.15
Electric, gas, and sanitary services .....	0.08	3.63	16.44	1.57	3.42	3.42	1.81	3.51	2.59
Electric services .....	0.01	0.11	6.68	0.35	0.09	0.10	0.07	0.07	0.17
Gas production and distribution .....	( <sup>2</sup> )	0.01	7.18	0.02	0.01	( <sup>2</sup> )	0.02	0.02	0.02
Combination utility services .....	0.16	0.25	3.67	0.43	0.24	0.24	0.14	0.16	0.29
Water supply and other sanitary services .....	( <sup>2</sup> )	0.02	8.21	0.19	0.02	0.02	0.04	0.04	0.04
Water supply and other sanitary services .....	( <sup>2</sup> )	4.42	19.76	5.94	8.44	8.46	2.44	2.91	4.99
<b>Wholesale and retail trade</b>									
Wholesale trade .....	0.62	0.75	1.77	0.60	1.22	0.93	0.36	0.64	0.63
Wholesale trade .....	0.71	1.27	2.39	1.01	1.47	0.98	0.49	0.80	0.89
Groceries and related products .....	28.54	3.11	6.85	2.83	4.73	4.78	1.71	2.33	2.60
Machinery, equipment, and supplies .....	7.46	3.04	5.57	2.40	3.48	1.39	1.28	2.11	2.20
Miscellaneous wholesale trade .....	0.68	1.58	2.87	1.22	1.54	1.34	0.58	0.96	1.06
Motor vehicles and automotive equipment .....	0.03	5.83	9.01	3.20	1.88	1.87	1.82	2.57	3.28
Furniture and home furnishings .....	3.39	14.98	21.50	11.34	36.55	36.80	6.43	7.99	10.72
Lumber and construction materials .....	( <sup>2</sup> )	6.57	8.41	4.95	10.62	10.68	3.12	4.66	5.29
Sporting, recreational, photographic, and hobby goods, toys, and supplies .....	( <sup>2</sup> )	13.03	19.12	9.40	9.48	10.34	5.49	7.71	9.35
Metals and minerals, except petroleum and scrap .....	0.47	3.35	11.41	3.45	3.81	3.90	1.82	2.61	3.14
Electrical goods .....	47.25	5.36	8.92	3.68	3.78	3.37	2.08	3.62	4.49
Hardware, plumbing, and heating equipment and supplies .....	27.69	5.13	9.81	5.08	12.52	12.77	2.93	3.59	4.32
Other durable goods .....	23.55	6.86	7.26	4.16	4.08	4.09	1.87	3.57	3.92
Paper and paper products .....	( <sup>2</sup> )	12.86	16.04	7.83	5.97	6.01	4.39	5.54	6.67
Drugs, drug preparations, and druggists' sundries .....	59.84	12.75	18.47	10.67	2.64	2.65	4.52	7.12	7.50
Apparel, piece goods, and notions .....	( <sup>2</sup> )	8.83	10.44	5.24	10.81	10.86	3.03	5.25	5.95
Farm-product raw materials .....	0.26	3.90	14.20	3.89	3.67	3.81	2.26	2.47	2.52
Chemicals and allied products .....	0.14	11.56	17.74	8.59	2.72	2.54	2.46	5.62	6.40
Petroleum and petroleum products .....	0.03	3.83	10.39	3.03	18.99	8.44	1.18	2.58	2.75
Alcoholic beverages .....	91.22	8.21	13.81	5.32	13.93	13.72	3.82	5.57	6.19
Miscellaneous nondurable goods; wholesale trade not allocable .....	14.68	4.79	10.48	4.70	3.03	3.06	2.09	3.09	3.42

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 1.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Coefficient of variation (Percent)								
	Foreign tax credit	Investment credit	Jobs credit	Total income tax after credits	Distributions to stockholders except in own stock		Total assets	Depreciable assets	Depreciation deduction
					All returns	Returns with net income			
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
<b>Wholesale and retail trade — Continued</b>									
Retail trade	1.25	0.94	2.52	0.75	2.14	1.87	0.61	0.83	0.90
Building materials, garden supplies, and mobile home dealers	(*)	4.93	6.18	3.48	11.49	11.66	2.77	3.60	4.49
Building materials dealers	(*)	5.75	7.35	3.88	12.83	12.98	3.50	4.48	5.91
Hardware stores	—	13.04	14.20	9.10	33.93	34.72	6.14	7.25	7.37
Garden supplies and mobile home dealers	—	14.10	18.63	14.40	34.63	36.08	6.42	8.06	8.89
General merchandise stores	(*)	0.51	6.38	0.64	0.70	0.69	0.40	0.40	0.43
Food stores	(*)	1.76	7.43	1.48	4.02	4.03	1.10	1.13	1.28
Grocery stores	—	1.74	7.65	1.43	3.97	3.98	1.09	1.09	1.24
Other food stores	—	17.35	31.33	19.50	37.33	37.33	8.79	9.50	9.44
Automotive dealers and service stations	(*)	3.09	3.92	3.06	9.08	9.27	1.53	1.95	2.28
Motor vehicle dealers	(*)	3.37	4.18	3.58	10.29	10.51	1.80	2.26	2.74
Gasoline service stations	—	9.52	19.64	9.93	26.06	26.81	4.90	5.73	5.97
Other automotive dealers	(*)	8.05	10.42	7.27	21.72	22.09	3.82	4.72	5.68
Apparel and accessory stores	39.90	4.27	8.84	3.47	9.34	9.41	2.53	2.92	3.28
Furniture and home furnishings stores	(*)	6.08	9.48	3.79	26.49	26.80	2.83	3.59	4.19
Eating and drinking places	21.61	2.59	7.87	2.58	9.49	9.53	2.71	4.16	3.42
Miscellaneous retail stores	—	2.69	5.76	1.86	8.43	5.62	1.90	2.54	2.47
Drug stores and proprietary stores	(*)	4.14	14.06	1.72	9.37	9.54	3.04	3.06	3.64
Liquor stores	—	30.02	25.29	14.83	73.39	47.68	24.01	29.16	25.24
Other retail stores	0.01	3.01	6.42	2.52	8.23	6.91	1.63	2.22	2.50
Wholesale and retail trade not allocable	—	36.69	38.76	49.72	93.72	93.72	19.52	23.11	24.82
<b>Finance, insurance, and real estate</b>	0.04	0.44	2.26	0.31	0.79	0.69	0.04	0.87	0.45
Banking	(*)	0.12	0.50	0.26	0.18	0.20	0.05	0.11	0.09
Mutual savings banks	(*)	0.10	0.04	0.06	—	—	0.05	0.06	0.06
Bank holding companies	(*)	0.05	0.45	0.16	0.12	0.13	0.03	0.04	0.04
Banks, except mutual savings banks and bank holding companies	0.05	0.58	0.75	0.56	0.56	0.63	0.19	0.36	0.41
Credit agencies other than banks	0.37	0.67	4.04	0.49	7.36	4.78	0.08	0.77	0.97
Savings and loan associations	(*)	0.20	0.16	0.04	0.16	0.16	0.05	0.05	0.05
Personal credit institutions	(*)	0.30	18.84	1.74	0.73	0.73	0.60	0.69	0.60
Business credit institutions	5.92	2.81	15.87	1.99	1.24	1.23	0.93	15.64	12.28
Other credit agencies; finance not allocable	(*)	5.15	13.58	2.60	15.38	12.36	0.42	3.56	3.22
Security, commodity brokers and services	2.05	2.60	16.44	3.97	3.01	3.19	0.36	2.88	2.36
Security brokers, dealers, and flotation companies	1.47	1.64	20.31	3.53	3.10	3.27	0.32	2.79	1.55
Commodity contracts brokers and dealers, security and commodity exchanges, and allied services	58.55	20.06	22.07	13.76	10.56	11.65	3.10	7.25	10.91
Insurance	(*)	0.34	5.40	0.15	0.23	0.23	0.04	0.29	0.20
Life insurance	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Mutual insurance, except life or marine and certain fire or flood insurance companies	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Other insurance companies	(*)	0.74	9.98	0.69	0.36	0.36	0.15	0.47	0.43
Insurance agents, brokers, and service	2.04	6.22	12.05	2.76	7.27	7.45	2.25	4.42	4.48
Real estate	6.29	4.17	9.61	2.19	8.00	8.04	1.04	1.40	1.51
Real estate operators and lessors of buildings	6.46	4.48	10.64	2.28	9.88	10.69	1.16	1.43	1.65
Lessors of mining, oil, and similar property	(*)	34.15	(*)	8.49	15.39	15.39	6.01	66.35	32.91
Lessors of railroad property, and of real property, not elsewhere classified	79.02	28.88	49.53	19.63	25.86	26.20	6.34	8.60	12.93
Condominium management and cooperative housing associations	—	78.40	62.86	22.31	87.61	87.61	5.95	6.49	7.85
Subdividers and developers	1.90	5.99	9.88	3.12	12.03	12.39	1.47	2.39	3.04
Other real estate	23.11	8.56	12.33	6.22	16.39	13.60	2.81	3.55	4.07
Holding and other investment companies, except bank holding companies	0.33	13.81	21.41	4.32	1.14	1.17	0.50	2.23	3.68
Regulated investment companies	—	—	—	85.06	0.66	0.69	0.49	8.74	26.53
Real estate investment trusts	—	—	—	(*)	0.65	1.04	0.50	1.02	1.23
Small business investment companies	—	60.28	84.70	20.06	11.17	12.21	9.80	43.18	45.82
Other holding and investment companies, except bank holding companies	0.33	13.93	21.68	4.39	5.03	5.23	1.25	4.56	6.07
<b>Services</b>	2.54	1.59	3.85	1.47	4.72	4.87	0.82	1.15	1.16
Hotels and other lodging places	29.02	3.28	9.89	2.58	9.89	10.02	2.07	2.72	2.91
Personal services	0.02	5.50	17.12	5.23	12.03	12.08	3.53	4.31	4.26
Business services	4.71	3.28	7.08	2.48	7.91	8.39	1.30	2.24	2.33
Advertising	0.31	8.70	13.16	4.40	10.03	10.75	4.66	15.82	10.59
Business services, except advertising	9.84	3.50	7.78	2.93	9.31	9.85	1.31	2.02	2.38
Auto repair, miscellaneous repair services	0.98	4.87	10.93	6.52	14.38	17.36	2.15	2.42	2.67
Auto repair and services	(*)	5.18	13.78	7.02	14.00	17.88	2.25	2.76	2.76
Miscellaneous repair services	80.49	13.87	17.61	14.13	32.80	36.20	7.29	8.35	9.06
Amusement and recreation services	1.61	2.34	11.70	3.69	7.79	7.09	1.54	3.22	2.25
Motion picture production, distribution, and services	0.95	1.90	37.39	8.10	4.10	4.14	1.81	10.86	2.93
Motion picture theaters	1.87	8.19	28.56	10.25	23.52	23.92	5.68	7.52	6.85
Amusement and recreation services, except motion pictures	17.93	6.83	13.10	4.46	13.68	12.73	2.54	3.48	3.94
Other services	5.18	3.85	6.37	3.57	11.64	11.90	2.44	3.01	3.13
Offices of physicians, including osteopathic physicians	—	10.03	14.74	10.31	23.24	24.43	5.07	6.02	6.06
Offices of dentists	—	17.35	19.63	21.89	55.53	57.80	9.15	9.43	9.86
Offices of other health practitioners	—	35.27	58.43	44.70	74.81	95.29	21.27	23.49	22.79
Nursing and personal care facilities	—	9.90	19.43	11.02	20.23	20.45	4.23	4.71	4.77
Hospitals	(*)	3.52	31.75	5.86	39.01	39.01	8.01	7.52	4.00
Medical laboratories	—	25.52	44.59	8.70	83.49	83.49	10.88	13.80	14.03
Other medical services	—	12.85	26.94	10.21	24.53	24.53	5.43	8.39	10.65
Legal services	—	18.45	24.92	24.70	43.30	43.30	9.74	11.39	11.78
Educational services	21.46	12.07	24.34	17.52	45.59	45.76	7.58	11.49	10.28
Social services	—	62.72	59.57	75.89	50.60	50.67	22.20	26.28	26.79
Membership organizations	80.49	17.85	31.54	16.37	46.73	48.07	8.70	11.89	11.45
Architectural and engineering services	7.60	9.28	13.28	7.45	11.29	11.46	5.83	8.31	8.31
Accounting, auditing, and bookkeeping services	—	24.31	34.04	35.59	48.28	50.87	14.78	16.81	17.32
Miscellaneous services (including veterinarians) not elsewhere classified	14.23	11.83	18.21	8.56	23.27	24.06	7.84	12.75	11.75
<b>Nature of business not allocable</b>	(*)	15.09	19.20	12.53	34.90	35.40	7.47	9.79	11.95

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

\*\* Data deleted to avoid disclosure of information for specific corporations. Deleted data are included in the appropriate totals.

† Credits include foreign tax, U.S. possessions tax, investment, work incentive (WIN), and jobs credits.

‡ Less than \$500 per return.

§ Coefficient of variation is less than .005 but greater than zero.

|| Estimate is based on returns sampled at a 100 percent rate and coefficient of variation is zero.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 1.2 — Balance Sheets and Income Statements, by Major Industry

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	All industries	Major industry					
		Agriculture, forestry, and fishing	Mining				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total.....	2,376,779	69,971	19,124	1,059	3,268	11,701	3,096
Total assets.....	6,014,452,008	32,904,822	97,670,205	12,705,146	13,838,343	63,465,783	7,660,953
Cash.....	412,948,244	1,911,034	3,068,877	146,374	576,528	1,909,756	436,220
Notes and accounts receivable.....	1,589,330,717	3,034,004	19,978,242	990,335	1,833,042	15,983,497	1,171,368
Less: Allowance for bad debts.....	38,204,317	33,127	104,598	29,597	9,529	45,355	20,116
Inventories.....	442,652,820	3,769,408	4,739,477	981,162	666,943	2,340,008	751,363
Investments in Government obligations:							
United States.....	219,415,567	167,822	342,568	25,399	147,086	140,202	29,881
State and local.....	184,212,816	41,108	85,548	5,532	40,598	37,294	*2,123
Other current assets.....	206,725,556	871,127	5,336,341	2,379,646	866,623	1,879,708	210,364
Loans to stockholders.....	18,304,758	485,267	1,279,860	*66,338	35,163	1,153,714	24,646
Mortgage and real estate loans.....	762,046,306	438,324	319,816	18,495	11,130	264,260	25,932
Other investments.....	868,776,652	2,683,506	18,726,925	3,272,433	1,991,644	12,384,456	1,078,392
Depreciable assets.....	1,696,212,705	18,476,272	49,333,984	6,038,458	8,662,559	28,727,580	5,905,387
Less: Accumulated depreciation.....	631,320,855	8,241,990	17,880,813	2,347,308	3,312,194	8,408,844	2,912,466
Depletable assets.....	44,770,440	179,906	9,810,944	573,168	1,254,679	7,505,583	477,513
Less: Accumulated depletion.....	13,828,939	23,990	2,634,510	201,461	111,277	2,233,998	87,774
Land.....	79,654,340	7,538,576	1,339,613	121,125	377,910	460,318	380,260
Intangible assets (amortizable).....	34,227,958	70,599	2,212,045	198,611	48,203	1,854,665	10,365
Less: Accumulated amortization.....	14,396,662	17,878	885,841	130,773	6,382	745,841	2,844
Other assets.....	153,024,102	1,454,656	2,701,725	597,209	765,619	1,156,558	180,340
Total liabilities.....	6,014,452,008	32,904,822	97,670,205	12,705,146	13,838,343	63,465,783	7,660,953
Accounts payable.....	403,553,630	1,724,580	8,143,040	589,412	1,078,208	5,735,962	738,458
Mortgages, notes, and bonds payable in less than one year.....	380,851,818	6,362,543	3,991,597	277,223	1,150,889	2,194,533	368,952
Other current liabilities.....	2,335,790,244	1,679,091	14,223,138	760,898	1,149,184	11,876,374	436,681
Loans from stockholders.....	58,166,425	2,018,165	1,369,447	257,182	168,766	731,231	212,269
Mortgages, notes, and bonds payable in one year or more.....	760,536,053	9,619,740	20,039,817	2,670,549	3,582,417	12,066,453	1,720,397
Other liabilities.....	560,776,983	1,281,733	4,846,010	711,348	1,313,918	2,297,614	523,130
Capital stock.....	309,432,793	5,154,893	3,597,033	690,069	467,919	1,790,292	648,752
Paid-in or capital surplus.....	381,888,848	2,333,678	15,358,456	2,093,316	1,706,468	11,221,604	337,067
Retained earnings, appropriated.....	40,070,733	246,259	4,013,381	56,023	169,268	3,745,560	42,530
Retained earnings, unappropriated.....	795,467,154	2,878,943	22,695,907	4,634,161	3,162,155	12,089,910	2,809,681
Less: Cost of treasury stock.....	32,102,672	394,983	607,621	35,035	110,849	263,772	177,965
Total receipts.....	4,714,602,815	41,417,558	94,706,062	5,539,186	12,063,687	69,944,041	7,159,148
Business receipts.....	4,353,704,519	39,222,456	90,538,979	4,883,839	11,549,253	67,230,058	6,875,828
Interest on Government obligations:							
United States.....	16,241,045	20,019	33,854	6,855	9,665	13,715	3,621
State and local.....	9,140,667	2,113	6,654	114	2,428	2,703	1,408
Other interest.....	195,479,301	229,063	594,530	73,173	82,467	398,557	40,333
Rents.....	30,260,402	184,067	200,422	4,960	69,157	87,957	38,347
Royalties.....	7,904,359	53,236	234,112	13,164	15,615	195,779	8,555
Net short-term capital gain reduced by net long-term capital loss.....	884,646	18,759	2,488	*1,548	1,042	20,635	*1,263
Net long-term capital gain reduced by net short-term capital loss.....	14,679,876	445,228	874,847	331,873	94,352	399,014	49,608
Net gain, noncapital assets.....	12,137,078	160,373	349,208	83,250	33,125	204,661	28,172
Dividends received from domestic corporations.....	13,321,287	40,193	251,615	31,682	38,936	175,681	5,316
Dividends received from foreign corporations.....	9,277,932	*7,669	94,838	*45,613	1,206	47,472	547
Other receipts.....	51,571,503	1,024,381	1,502,515	63,115	166,441	1,167,808	105,150
Total deductions.....	4,467,196,677	40,125,054	87,158,152	5,354,460	12,361,416	42,683,581	6,778,896
Cost of sales and operations.....	3,113,421,507	29,140,482	44,583,576	3,530,165	8,200,747	28,565,083	4,287,581
Compensation of officers.....	85,085,175	1,029,196	792,847	35,161	149,070	465,626	142,890
Repairs.....	33,861,153	607,135	731,017	33,921	241,657	219,224	236,215
Bad debts.....	15,660,693	56,859	83,225	7,300	17,708	44,697	13,520
Rent paid on business property.....	56,032,175	843,362	523,555	37,113	107,974	297,486	80,983
Taxes paid.....	116,155,070	870,132	1,696,068	236,763	548,378	688,018	222,910
Interest paid.....	182,403,316	1,251,690	2,180,034	239,010	557,502	1,189,552	193,870
Contributions or gifts.....	2,084,022	11,684	30,884	2,568	3,151	20,412	4,754
Amortization.....	1,188,784	8,017	20,003	3,201	3,521	12,248	1,033
Depreciation.....	121,299,900	1,650,333	3,448,124	338,642	878,332	1,788,261	442,890
Depletion.....	6,402,020	13,912	1,102,876	154,251	350,719	333,746	264,160
Advertising.....	40,786,627	119,677	71,462	4,691	4,824	39,153	22,794
Pension, profit-sharing, stock bonus, and annuity plans.....	41,825,415	144,965	404,186	81,405	76,203	193,593	52,985
Employee benefit programs.....	27,019,096	90,121	313,588	18,158	168,280	79,878	47,273
Net loss, noncapital assets.....	2,155,305	15,091	58,601	*4,443	14,691	30,856	8,611
Other deductions.....	611,816,617	4,072,397	11,118,104	627,668	1,038,660	8,695,648	756,127
Total receipts less total deductions.....	247,405,739	1,292,505	27,547,910	184,727	-297,728	27,280,460	380,452
Constructive taxable income from related foreign corporations.....	8,602,401	6,570	168,325	120,594	742	46,706	283
Net income (less deficit).....	246,867,473	1,296,962	27,709,582	305,206	-299,415	27,324,462	379,327
Net income.....	274,519,721	2,202,179	29,582,865	482,207	421,073	28,205,862	473,723
Deficit.....	27,652,248	905,217	1,873,283	177,000	720,488	881,399	94,396
Income subject to tax.....	239,631,773	1,386,949	29,041,850	420,317	340,596	27,872,942	407,995
Income tax, total.....	107,888,445	485,580	13,837,808	172,480	173,055	13,299,693	192,580
Normal tax, surtax, and alternative tax.....	106,978,893	475,815	13,741,509	144,759	145,386	13,273,565	177,799
Tax from recomputing prior-year investment credit.....	570,927	9,124	18,591	4,149	4,317	7,638	2,487
Tax from recomputing prior-year work incentive (WIN) credit.....	106	*2	23	—	—	—	23
Additional tax for tax preferences.....	340,519	640	77,686	23,572	23,352	18,491	12,271
Foreign tax credit.....	26,357,829	*13,210	12,512,804	*63,516	1,662	12,445,726	1,899
U.S. possessions tax credit.....	1,134,422	294	—	—	—	—	—
Investment credit.....	12,887,172	100,232	234,247	36,169	32,422	123,772	41,885
Work incentive (WIN) credit.....	18,469	17	*94	22	*39	3	*29
Jobe credit.....	3,093,915	31,117	44,138	*702	6,880	27,308	9,248
Distributions to stockholders:							
Cash and property except in own stock.....	70,294,349	251,428	2,194,973	173,316	224,554	1,648,102	149,001
Corporation's own stock.....	2,346,329	15,498	50,390	2,071	*5,982	*35,714	*6,623

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data"



## RETURNS OF ACTIVE CORPORATIONS

Table 1.2 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued								
	Construction				Manufacturing				
	Total	General building contractors and operative builders	Heavy construction contractors	Special trade contractors	Total	Food and kindred products	Tobacco manufactures	Textile mill products	Apparel and other textile products
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Number of returns, total.....	226,657	94,082	16,093	118,482	223,471	15,488	83	5,593	16,043
Total assets.....	105,545,997	53,869,564	22,632,490	29,043,943	1,308,673,807	104,765,387	21,616,939	20,707,590	18,274,356
Cash.....	9,560,850	4,348,108	2,112,299	3,100,443	44,695,714	3,860,012	560,668	889,920	1,135,141
Notes and accounts receivable.....	29,254,760	11,623,829	6,700,043	10,930,887	312,710,045	20,486,528	2,948,408	5,364,597	5,158,769
Less: Allowance for bad debts.....	240,633	69,895	33,685	137,053	5,745,360	432,814	31,195	97,933	103,499
Inventories.....	19,335,507	13,672,932	1,469,927	4,192,648	223,353,223	21,028,680	5,183,744	5,706,609	6,588,241
Investments in Government obligations.....									
United States.....	461,046	252,189	120,330	88,526	11,603,707	668,022	8,346	148,655	66,803
State and local.....	312,073	174,110	94,107	43,856	2,533,374	233,707	18	18,176	89,413
Other current assets.....	11,319,167	7,042,751	1,898,601	2,377,815	59,174,285	4,487,350	510,995	617,918	760,140
Loans to stockholders.....	2,185,696	1,619,748	116,704	449,243	3,530,794	550,166	392,911	41,204	160,374
Mortgage and real estate loans.....	1,040,640	889,458	73,913	77,268	3,340,490	632,157	17,324	23,412	22,907
Other investments.....	6,198,757	3,107,494	2,007,891	1,083,372	21,675,467	17,253,928	5,855,430	1,310,372	1,453,134
Depreciable assets.....	37,721,795	11,220,481	15,333,955	11,167,358	662,647,897	52,768,056	5,962,713	14,027,207	4,600,829
Less: Accumulated depreciation.....	18,735,980	4,502,038	8,474,604	5,759,338	307,305,415	22,815,724	1,372,176	7,804,486	2,267,694
Depletable assets.....	195,838	73,099	86,199	36,540	28,996,733	348,069	200,504	5,465	*4,765
Less: Accumulated depletion.....	40,921	6,955	18,814	15,152	9,549,267	91,071	—	*2,884	*1,964
Land.....	4,035,641	2,782,186	591,499	661,957	16,831,061	1,826,293	212,362	146,413	140,158
Intangible assets (amortizable).....	253,211	136,073	55,405	61,733	20,550,620	731,343	227,576	57,023	65,654
Less: Accumulated amortization.....	61,594	27,012	12,324	22,259	9,478,320	161,971	24,487	17,216	30,541
Other assets.....	2,750,146	1,533,005	511,044	706,098	39,108,738	3,392,655	963,799	273,177	431,726
Total liabilities.....	105,545,997	53,869,564	22,632,490	29,043,943	1,308,673,807	104,765,387	21,616,939	20,707,590	18,274,356
Accounts payable.....	21,679,077	10,717,772	4,405,327	6,555,978	167,163,578	13,186,390	2,143,272	2,901,660	3,263,273
Mortgages, notes, and bonds payable in less than one year.....	16,120,303	10,903,527	2,132,963	3,083,813	93,248,463	8,460,110	1,396,838	1,681,266	2,143,997
Other current liabilities.....	14,741,849	7,301,068	3,142,837	4,297,944	137,064,919	10,880,535	1,964,588	1,795,310	1,795,267
Loans from stockholders.....	4,177,124	2,738,612	391,400	1,047,112	13,526,807	1,418,977	296,062	213,008	404,779
Mortgages, notes, and bonds payable in one year or more.....	15,217,242	8,777,198	3,271,314	3,168,770	237,682,006	18,250,661	4,485,044	3,472,362	2,145,000
Other liabilities.....	7,822,962	4,344,537	1,581,835	1,896,589	64,923,950	3,681,660	1,180,867	282,401	288,689
Capital stock.....	5,348,464	1,819,360	1,517,713	2,011,391	82,590,174	7,095,589	901,200	1,494,921	1,397,537
Paid-in or capital surplus.....	3,183,044	1,774,742	797,479	610,823	129,467,014	9,179,416	3,090,954	1,206,600	1,196,943
Retained earnings, appropriated.....	263,199	86,875	86,284	90,040	6,771,840	769,594	*354,665	32,234	57,468
Retained earnings, unappropriated.....	18,430,170	5,928,556	5,714,287	6,787,328	387,055,630	32,628,361	6,016,050	7,949,102	5,873,408
Less: Cost of treasury stock.....	1,437,437	522,641	408,950	505,846	10,820,575	785,904	212,600	321,294	292,003
Total receipts.....	216,710,160	94,926,931	46,037,880	75,745,349	1,836,552,260	221,635,015	19,774,207	38,476,314	39,718,483
Business receipts.....	211,618,796	92,368,848	44,407,794	74,842,154	1,773,467,830	217,499,486	19,019,345	37,893,386	39,108,713
Interest on Government obligations.....									
United States.....	39,398	18,203	12,959	8,237	915,370	48,982	*3,364	14,920	4,265
State and local.....	18,654	10,191	5,040	3,423	322,203	15,167	113	806	3,019
Other interest.....	840,344	453,306	248,233	138,805	13,852,180	881,203	245,349	91,545	110,296
Rents.....	871,337	547,914	209,177	114,246	6,510,698	369,432	20,868	36,073	30,529
Royalties.....	35,268	7,452	19,560	8,256	5,947,345	350,520	69,082	28,770	68,684
Net short-term capital gain reduced by net long-term capital loss.....	33,290	21,153	1,719	10,419	157,623	26,155	10,835	1,101	1,200
Net long-term capital gain reduced by net short-term capital loss.....	413,231	232,125	106,466	74,640	6,180,791	229,010	56,981	35,802	19,094
Net gain, noncapital assets.....	488,167	187,247	208,800	92,114	1,534,522	179,311	66,241	46,582	20,129
Dividends received from domestic corporations.....	84,882	23,111	45,074	16,697	5,410,573	236,484	68,087	46,281	50,001
Dividends received from foreign corporations.....	80,850	24,494	52,468	3,888	8,137,111	442,466	*99,456	13,367	53,399
Other receipts.....	2,185,944	1,032,888	720,585	432,471	14,116,014	1,356,798	114,486	267,682	248,155
Total deductions.....	210,906,569	92,924,694	44,442,843	73,539,032	1,730,009,625	213,704,259	17,825,642	36,730,566	38,073,519
Cost of sales and operations.....	171,491,603	79,640,805	35,735,346	56,115,452	1,290,204,263	167,151,940	10,638,159	29,446,462	28,986,297
Compensation of officers.....	7,334,081	2,581,901	965,743	3,786,437	15,842,104	1,237,419	54,226	465,146	91,770
Repairs.....	1,160,602	254,443	497,272	408,887	21,794,219	1,772,566	151,118	298,707	94,463
Bad debts.....	341,730	88,238	68,196	185,296	3,147,078	281,144	28,679	63,556	102,194
Rent paid on business property.....	1,275,452	326,560	366,654	582,237	14,393,723	1,533,707	116,962	249,115	420,797
Taxes paid.....	4,601,022	1,394,598	953,696	2,252,728	48,728,041	5,365,200	2,275,536	945,709	1,039,627
Interest paid.....	2,580,694	1,387,431	613,977	579,285	30,915,600	2,539,254	615,652	538,777	524,994
Contributions or gifts.....	66,280	28,240	16,403	21,597	1,086,378	84,228	10,452	24,385	26,402
Amortization.....	15,884	8,876	2,948	4,060	420,564	27,142	1,796	3,228	4,025
Depreciation.....	3,803,768	1,027,188	1,493,921	1,262,659	49,059,152	4,109,408	428,946	1,008,916	379,163
Depletion.....	54,676	15,984	31,295	7,396	4,557,092	28,272	103,264	1,382	*9
Advertising.....	510,691	236,587	46,452	227,652	19,539,940	5,299,881	1,022,971	244,865	315,212
Pension, profit-sharing, stock bonus, and annuity plans.....	1,027,628	294,803	280,470	452,354	21,535,728	1,351,747	245,533	254,621	216,157
Employee benefit programs.....	876,112	210,687	167,963	477,462	16,127,862	1,110,141	163,222	173,814	202,546
Net loss, noncapital assets.....	56,493	34,699	1,748	20,046	540,055	53,085	*1,773	27,775	19,756
Other deductions.....	15,709,854	5,393,612	3,180,759	7,135,464	192,117,824	21,759,126	1,967,352	2,984,108	4,824,136
Total receipts less total deductions.....	5,803,591	2,002,237	1,595,036	2,206,317	106,542,635	7,930,756	1,948,565	1,745,748	1,644,964
Constructive taxable income from related foreign corporations.....	91,390	50,281	38,553	2,556	7,298,355	417,629	33,292	7,528	51,447
Net income (loss deficit).....	5,876,327	2,042,327	1,628,550	2,205,451	113,518,786	8,333,218	1,981,745	1,752,470	1,693,392
Net income.....	8,056,979	3,066,684	1,992,615	2,997,680	120,144,888	8,872,167	1,995,016	1,967,621	2,002,697
Deficit.....	2,180,652	1,024,357	364,065	792,229	6,626,102	538,949	13,271	215,152	309,305
Income subject to tax.....	6,420,186	2,373,978	1,717,257	2,328,952	114,374,088	8,501,559	1,884,545	1,815,030	1,761,768
Income tax, total.....	2,427,708	893,266	745,928	788,514	53,092,051	3,985,819	895,575	842,830	779,380
Normal tax, surtax, and alternative tax.....	2,398,869	884,917	732,860	781,093	52,753,150	3,954,478	893,418	837,857	775,726
Tax from recomputing prior-year investment credit.....	25,630	7,215	11,232	7,183	229,483	28,057	2,153	4,703	3,619
Tax from recomputing prior-year work incentive (WIN) credit.....	( <sup>1</sup> )	—	( <sup>1</sup> )	—	62	( <sup>1</sup> )	—	( <sup>1</sup> )	—
Additional tax for tax preferences.....	3,208	1,135	1,836	238	109,356	3,283	4	*269	*35
Foreign tax credit.....	116,160	47,271	64,748	4,141	11,654,365	539,536	49,588	10,102	58,148
U.S. possessions tax credit.....	1,882	1,162	562	158	1,075,601	83,413	12,423	3,928	30,537
Investment credit.....	331,014	78,636	148,968	103,501	5,175,795	402,623	61,683	110,105	33,369
Work incentive (WIN) credit.....	279	30	*68	181	12,044	338	15	361	581
Jobs credit.....	481,331	155,499	81,931	243,902	956,211	57,847	638	30,027	70,236
Distributions to stockholders.....									
Cash and property except in own stock.....	627,914	250,152	202,421	175,341	31,173,451	2,317,989	497,399	253,212	277,081
Corporation's own stock.....	54,433	9,501	34,067	10,864	801,896	102,923	—	*6,295	5,428

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 1.2 — Balance Sheets and Income Statements, by Major Industry — Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Major industry — Continued								
	Manufacturing — Continued								
	Lumber and wood products	Furniture and fixtures	Paper and allied products	Printing and publishing	Chemicals and allied products	Patroleum (including integrated) and coal products	Rubber and miscellaneous plastics products	Leather and leather products	Stone, clay, and glass products
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
Number of returns, total	12,823	5,369	3,318	34,373	9,495	1,171	10,021	2,499	8,067
Total assets	33,684,017	8,463,373	38,722,547	38,409,408	117,920,558	252,352,424	24,009,862	5,968,566	30,334,855
Cash	1,493,772	484,240	898,563	2,188,350	3,037,581	5,113,827	985,379	394,491	1,353,578
Notes and accounts receivable	5,019,585	2,290,314	5,819,922	8,914,441	22,398,276	48,245,103	6,219,382	1,531,216	6,314,202
Less: Allowance for bad debts	89,454	54,535	135,349	591,813	474,914	595,772	103,595	34,329	145,150
Inventories	5,495,327	2,604,378	5,942,881	4,314,843	19,331,427	18,736,673	4,958,875	1,952,011	4,462,590
Investments in Government obligations:									
United States	93,207	15,969	463,543	412,183	413,380	1,996,927	83,481	30,958	415,440
State and local	19,647	20,931	50,634	324,643	289,473	*127,588	*79,110	*17,211	19,115
Other current assets	1,298,501	263,587	1,562,445	2,639,519	4,828,204	7,612,430	537,629	224,202	1,157,861
Loans to stockholders	86,514	15,696	84,359	262,734	258,770	108,997	87,317	16,407	35,891
Mortgage and real estate loans	1,001,149	12,887	16,627	113,451	50,396	37,025	52,295	*1,023	23,895
Other investments	3,339,531	539,372	4,741,497	4,974,588	21,408,821	68,177,161	2,863,017	726,373	3,251,516
Depreciable assets	20,391,138	3,739,431	28,536,345	18,430,876	73,798,989	132,237,767	14,317,051	1,691,222	22,576,975
Less: Accumulated depreciation	8,521,335	1,773,268	13,106,172	8,655,816	34,187,267	54,720,495	6,832,618	812,318	10,600,430
Depletable assets	2,537,208	*4,701	2,580,048	220,942	1,206,192	19,625,123	*5,188	—	335,250
Less: Accumulated depletion	126,341	*1,731	538,912	*17,282	329,344	7,813,787	*1,041	—	69,500
Land	506,939	130,205	960,549	718,412	1,451,617	4,373,589	240,333	45,010	615,340
Intangible assets (amortizable)	30,966	30,966	144,489	1,320,558	1,337,655	13,612,356	59,478	50,413	73,891
Less: Accumulated amortization	13,327	7,751	34,072	215,343	272,752	7,789,663	15,329	12,036	20,172
Other assets	1,089,974	147,979	725,150	3,053,922	3,374,053	5,167,574	473,910	146,713	534,365
Total liabilities	33,684,017	8,463,373	38,722,547	38,409,408	117,920,558	252,352,424	24,009,862	5,968,566	30,334,855
Accounts payable	3,005,696	1,129,586	4,326,911	3,844,849	11,483,580	38,077,271	3,264,228	894,489	3,512,767
Mortgages, notes, and bonds payable in less than one year	2,604,293	706,212	1,369,682	2,336,286	5,846,439	5,882,956	1,314,461	671,903	1,498,254
Other current liabilities	3,524,338	915,536	3,802,224	4,939,790	12,916,264	15,661,396	2,773,681	482,984	3,236,857
Loans from stockholders	441,646	177,518	152,327	687,576	750,517	781,782	348,362	62,340	271,615
Mortgages, notes, and bonds payable in one year or more	6,940,929	1,320,680	8,885,698	5,629,085	25,034,715	42,806,682	5,021,533	948,949	6,146,656
Other liabilities	1,185,455	152,484	867,352	2,165,601	2,761,809	24,239,459	473,616	99,996	767,298
Capital stock	2,161,679	796,035	3,073,570	2,478,089	7,785,289	14,797,011	1,153,807	614,857	2,051,643
Paid-in or capital surplus	3,716,169	468,586	3,502,964	2,766,004	13,330,362	33,166,705	2,038,073	564,108	2,506,251
Retained earnings, appropriated	118,300	33,810	69,370	178,228	884,646	525,455	610,703	42,758	207,787
Retained earnings, unappropriated	10,481,507	2,908,629	12,974,465	14,084,407	38,356,105	77,847,924	7,254,088	1,681,915	10,464,154
Less: Cost of treasury stock	495,994	145,704	302,017	700,506	1,229,169	1,434,217	242,691	95,730	328,627
Total receipts	49,680,047	17,646,733	51,168,081	57,068,172	138,103,009	357,356,403	36,971,858	11,750,264	41,404,026
Business receipts	47,027,684	17,344,273	49,189,888	55,234,270	132,744,153	346,075,188	35,983,185	11,547,440	40,117,455
Interest on Government obligations									
United States	9,249	3,449	22,867	33,481	43,558	132,493	17,382	1,673	12,021
State and local	1,456	2,378	4,942	10,156	12,529	21,768	635	1,029	1,436
Other interest	318,879	35,253	262,928	329,685	989,375	2,493,202	140,279	58,678	191,261
Rents	74,356	30,860	75,033	129,378	181,890	1,121,332	62,739	8,994	82,914
Royalties	18,760	13,703	181,126	134,643	772,803	1,026,048	58,556	4,489	104,302
Net short-term capital gain reduced by net long-term capital loss	5,152	667	2,222	4,566	7,965	22,072	3,315	*215	1,889
Net long-term capital gain reduced by net short-term capital loss	1,723,906	13,499	789,428	215,494	425,685	928,294	67,467	3,819	154,078
Net gain, noncapital assets	63,940	25,296	50,343	53,148	122,440	138,412	33,744	1,896	66,536
Dividends received from domestic corporations	45,714	10,034	109,836	116,330	556,526	1,089,159	46,277	47,504	81,896
Dividends received from foreign corporations	16,033	12,382	224,331	75,294	882,876	1,696,081	159,223	2,675	110,390
Other receipts	374,918	154,941	255,337	679,214	1,415,721	2,612,356	399,058	71,852	480,448
Total deductions	46,380,601	16,848,599	47,998,541	52,192,497	127,346,731	339,626,155	35,350,175	11,207,040	38,488,875
Cost of sales and operations	35,208,007	12,453,678	34,526,365	33,942,125	84,814,192	281,208,264	25,180,704	8,415,274	27,102,077
Compensation of officers	678,630	378,731	392,143	1,593,095	934,229	305,032	558,070	164,785	571,912
Repairs	509,349	76,951	1,201,034	327,951	2,134,967	3,379,517	448,711	62,185	999,447
Bad debts	84,632	51,099	70,987	313,427	235,758	205,700	95,372	17,786	101,819
Rent paid on business property	352,525	188,103	372,083	739,711	1,272,934	2,454,998	446,319	232,398	360,172
Taxes paid	1,185,333	481,897	1,285,846	1,752,776	2,722,301	9,503,465	1,022,066	292,632	1,158,718
Interest paid	827,732	215,997	839,520	714,140	2,571,880	4,351,049	589,742	181,463	644,704
Contributions or gifts	34,934	8,735	48,871	74,231	118,230	89,549	14,337	8,687	29,737
Amortization	10,314	1,928	11,419	39,515	29,362	64,944	4,016	1,175	5,350
Depreciation	1,593,316	274,604	2,039,825	1,487,905	5,279,602	7,554,419	951,790	139,484	1,594,823
Depletion	1,672,663	*841	373,538	53,068	254,081	1,021,373	1,319	395	148,550
Advertising	161,306	187,347	393,734	517,368	3,846,395	958,585	368,120	139,573	206,188
Pension, profit-sharing, stock bonus, and annuity plans	336,760	120,270	602,799	682,265	2,019,376	1,778,268	436,398	63,067	533,164
Employee benefit programs	194,471	98,132	424,334	489,765	1,150,911	796,878	364,328	54,943	459,296
Net loss, noncapital assets	20,165	50,497	22,780	13,365	40,851	83,786	4,127	3,082	59,924
Other deductions	3,510,462	2,259,789	5,393,264	9,451,791	19,921,662	25,870,317	4,864,756	1,430,133	4,512,995
Total receipts less total deductions	3,299,446	798,134	3,169,540	4,875,675	10,756,279	17,730,248	1,621,683	543,224	2,915,151
Constructive taxable income from related foreign corporations	40,503	3,876	156,415	57,186	1,079,018	1,694,024	109,834	604	99,489
Net income (less deficit)	3,339,949	799,631	3,321,012	4,922,705	19,402,503	19,402,503	1,730,883	542,799	3,013,203
Net income	3,504,366	983,629	3,486,295	5,234,502	12,371,659	19,504,189	1,895,214	627,858	3,203,523
Deficit	165,874	183,997	165,283	311,787	548,890	101,685	164,331	85,059	190,320
Income subject to tax	3,177,996	909,670	3,446,518	4,920,253	12,147,580	18,063,127	1,796,891	562,088	3,032,730
Income tax, total	1,191,815	407,849	1,504,632	2,228,733	5,743,073	8,532,305	807,764	258,789	1,393,113
Normal tax, surtax, and alternative tax	1,168,522	405,442	1,490,123	2,218,634	5,689,507	8,500,148	803,191	258,364	1,384,135
Tax from recomputing prior-year investment credit	7,175	1,466	6,900	8,830	23,693	22,967	4,107	425	5,983
Tax from recomputing prior-year work incentive (WIN) credit	*11	—	—	26	*10	—	5	—	*3
Additional tax for tax preferences	16,107	*941	7,609	*243	19,863	9,190	*462	—	2,992
Foreign tax credit	20,702	3,134	188,575	88,113	1,156,059	4,665,179	112,400	2,493	114,947
U.S. possessions tax credit	—	128	849	1,259	583,579	11,686	6,066	3,843	7,139
Investment credit	211,963	23,523	230,549	158,576	516,011	883,840	87,074	11,227	215,075
Work incentive (WIN) credit	473	156	266	106	315	67	362	267	178
Jobs credit	50,093	33,315	23,630	55,433	33,392	5,545	42,008	8,109	37,784
Distributions to stockholders									
Cash and property except in own stock	593,457	106,379	928,751	821,450	4,413,671	7,254,404	301,517	113,401	526,821
Corporation's own stock	18,917	*7,644	19,964	38,090	141,572	61,576	15,365	10,696	*25,206

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 1.2 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued							
	Manufacturing — Continued							
	Primary metal industries	Fabricated metal products	Machinery, except electrical	Electrical and electronic equipment	Motor vehicles and equipment	Transportation equipment, except motor vehicles	Instruments and related products	Miscellaneous manufacturing and manufacturing not allocable
	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
Number of returns, total.....	4,012	32,656	24,886	13,524	2,108	2,626	5,873	12,443
<b>Total assets.....</b>	<b>102,484,550</b>	<b>59,321,142</b>	<b>121,529,849</b>	<b>110,596,932</b>	<b>117,934,444</b>	<b>41,825,562</b>	<b>23,398,244</b>	<b>16,353,400</b>
Cash.....	2,308,196	2,865,331	4,403,933	4,862,784	2,741,735	3,556,468	588,192	973,552
Notes and accounts receivable.....	19,811,249	14,097,301	34,426,298	29,750,957	56,046,790	7,261,950	6,229,716	4,375,041
Less: Allowance for bad debts.....	275,254	253,083	649,654	739,793	586,926	138,422	96,621	115,453
Inventories.....	16,344,846	14,640,941	27,491,082	21,603,111	17,874,634	10,711,931	5,970,658	4,409,742
Investments in Government obligations.....								
United States.....	401,252	313,025	1,559,926	845,829	2,829,704	196,887	599,635	40,537
State and local.....	207,967	148,194	215,650	98,718	427,401	*14,042	*107,007	14,729
Other current assets.....	4,274,782	2,272,542	8,684,416	9,131,840	2,572,512	3,879,972	1,149,644	707,797
Loans to stockholders.....	61,391	188,658	353,375	510,765	170,251	20,597	80,810	43,605
Mortgage and real estate loans.....	94,561	99,045	138,995	138,261	148,394	575,870	30,038	10,779
Other investments.....	15,239,546	7,381,269	15,150,153	17,235,047	11,427,599	5,389,702	2,004,689	1,952,739
Depreciable assets.....	71,092,150	28,220,353	51,519,865	39,714,007	45,097,210	17,274,443	11,046,422	5,604,848
Less: Accumulated depreciation.....	34,610,238	13,581,707	25,108,603	18,531,065	25,123,231	9,147,766	5,199,880	2,533,124
Depletable assets.....	799,050	183,778	226,667	586,980	*45,680	*61,633	*8,425	*11,099
Less: Accumulated depletion.....	283,908	24,579	47,476	177,005	*7,270	*14,817	*355	—
Land.....	991,957	888,440	919,436	853,549	774,441	511,250	319,515	205,253
Intangible assets (amortizable).....	606,222	365,596	613,888	562,747	98,284	98,518	187,379	244,692
Less: Accumulated amortization.....	228,465	102,984	220,287	160,585	24,975	55,784	55,784	44,593
Other assets.....	5,649,245	1,619,122	1,852,184	4,310,785	3,422,212	1,599,380	428,754	452,156
<b>Total liabilities.....</b>	<b>102,484,550</b>	<b>59,321,142</b>	<b>121,529,849</b>	<b>110,596,932</b>	<b>117,934,444</b>	<b>41,825,562</b>	<b>23,398,244</b>	<b>16,353,400</b>
Accounts payable.....	10,809,518	7,892,282	13,704,001	17,324,780	13,479,999	8,460,629	2,162,731	1,995,667
Mortgages, notes, and bonds payable in less than one year.....	7,856,290	3,889,380	8,553,768	7,947,214	24,580,280	1,753,639	1,154,274	1,600,903
Other current liabilities.....	10,395,776	7,003,470	15,744,230	15,079,146	10,911,920	8,037,443	3,312,692	1,891,471
Loans from stockholders.....	287,465	924,673	3,992,722	1,023,830	155,626	103,443	214,035	330,365
Mortgages, notes, and bonds payable in one year or more.....	22,286,195	9,642,277	20,182,064	16,716,822	25,463,399	6,345,275	3,066,774	2,891,207
Other liabilities.....	6,851,251	2,342,570	3,513,025	9,196,207	2,526,303	1,666,226	330,810	350,869
Capital stock.....	7,588,539	3,934,705	10,032,631	5,744,031	3,898,972	2,696,561	1,619,743	1,273,737
Paid-in or capital surplus.....	10,066,073	5,233,829	11,616,468	11,702,230	6,425,013	3,116,448	2,575,396	1,998,423
Retained earnings, appropriated.....	211,206	361,162	887,368	286,984	860,842	116,883	111,718	50,662
Retained earnings, unappropriated.....	26,571,968	19,043,898	34,056,513	26,911,312	29,374,666	9,729,715	8,685,452	4,161,991
Less: Cost of treasury stock.....	439,732	947,103	752,941	1,335,623	178,575	252,839	135,380	191,926
<b>Total receipts.....</b>	<b>119,501,703</b>	<b>95,661,237</b>	<b>142,416,039</b>	<b>129,929,705</b>	<b>156,219,048</b>	<b>54,440,140</b>	<b>32,293,316</b>	<b>25,338,460</b>
Business receipts.....	115,924,875	93,760,072	132,248,184	124,358,575	150,295,405	52,399,800	30,917,774	24,778,681
Interest on Government obligations.....								
United States.....	34,199	23,641	175,627	64,871	221,782	18,049	25,930	3,567
State and local.....	10,495	10,631	32,276	155,974	24,462	2,641	5,346	4,945
Other interest.....	1,054,040	351,629	1,839,493	1,359,462	2,244,268	530,545	175,858	148,952
Rents.....	261,462	131,751	2,447,974	671,533	502,961	191,273	35,364	44,583
Royalties.....	107,635	102,498	1,944,461	525,289	145,780	91,339	155,044	42,812
Net short-term capital gain reduced by net long-term capital loss.....	19,194	6,313	11,310	30,450	404	*712	694	*1,192
Net long-term capital gain reduced by net short-term capital loss.....	413,661	174,134	243,513	336,797	119,548	162,956	28,771	38,856
Net gain, noncapital assets.....	88,876	99,771	199,134	146,589	64,694	34,358	12,762	20,322
Dividends received from domestic corporations.....	201,834	109,931	650,371	665,807	519,715	466,376	256,680	35,930
Dividends received from foreign corporations.....	211,678	214,948	1,439,400	721,517	1,301,997	112,013	289,063	58,524
Other receipts.....	1,173,755	675,917	1,184,297	892,841	778,033	430,079	390,032	160,095
<b>Total deductions.....</b>	<b>115,698,693</b>	<b>89,975,759</b>	<b>129,355,542</b>	<b>121,221,662</b>	<b>145,864,476</b>	<b>52,889,534</b>	<b>29,190,069</b>	<b>24,040,693</b>
Cost of sales and operations.....	87,998,380	67,195,416	88,619,513	83,224,839	109,999,493	38,897,824	18,367,820	16,827,433
Compensation of officers.....	576,863	2,260,061	1,906,522	1,180,462	334,490	322,008	419,232	591,309
Repairs.....	4,888,145	928,921	1,108,764	775,929	1,620,088	438,907	419,592	156,925
Bad debts.....	142,774	197,100	353,493	328,383	261,370	59,073	77,796	74,940
Rent paid on business property.....	652,663	790,406	1,340,491	1,134,754	768,306	416,672	308,892	241,715
Taxes paid.....	2,679,673	2,480,693	4,013,671	3,448,629	4,066,867	1,475,711	837,901	693,790
Interest paid.....	2,946,066	1,333,179	3,088,442	2,734,121	4,023,126	758,676	394,316	482,752
Contributions or gifts.....	53,786	66,085	120,127	88,463	96,519	22,105	52,516	13,988
Amortization.....	45,099	18,373	93,718	25,830	8,370	7,399	9,882	7,677
Depreciation.....	4,065,230	2,157,673	4,775,569	3,952,345	4,793,306	1,108,040	887,772	477,018
Depletion.....	602,943	38,088	90,662	131,439	4,977	27,778	*1,355	*1,092
Advertising.....	318,489	609,279	997,453	1,536,119	978,333	226,868	713,383	498,473
Pension, profit-sharing, stock bonus, and annuity plans.....	2,309,559	1,085,962	2,218,130	1,807,427	3,394,026	1,336,298	541,376	198,526
Employee benefit programs.....	1,347,081	805,541	1,606,260	1,371,449	4,017,903	779,228	332,144	185,474
Net loss, noncapital assets.....	17,485	26,991	36,326	18,722	14,057	6,251	9,761	9,498
Other deductions.....	7,054,435	8,977,992	18,986,403	19,462,749	11,483,244	7,006,695	5,816,331	3,580,084
<b>Total receipts less total deductions.....</b>	<b>3,803,011</b>	<b>5,685,479</b>	<b>13,060,498</b>	<b>8,708,043</b>	<b>10,354,571</b>	<b>1,550,606</b>	<b>3,103,248</b>	<b>1,297,766</b>
Constructive taxable income from related foreign corporations.....	156,641	139,848	1,648,917	265,910	910,223	218,065	172,473	34,334
Net income (less deficit).....	3,949,157	5,814,796	14,677,139	8,817,979	11,240,333	1,767,030	3,270,723	1,327,155
Net income.....	4,574,527	6,296,376	15,210,821	9,436,160	11,603,132	2,381,104	3,419,066	1,574,966
Deficit.....	625,371	481,579	533,682	618,181	382,799	614,073	148,691	247,811
Income subject to tax.....	4,302,508	5,910,798	14,807,151	9,030,342	11,503,678	2,003,082	3,335,353	1,461,422
Income tax, total.....	2,018,062	2,645,791	6,968,257	4,223,092	5,502,967	930,303	1,575,125	656,778
Normal tax, surtax, and alternative tax.....	1,974,619	2,632,687	6,920,220	4,200,400	5,486,010	923,567	1,570,116	654,976
Tax from recomputing prior-year investment credit.....	8,332	11,058	44,263	16,737	16,478	5,880	4,965	1,691
Tax from recomputing prior-year work incentive (WIN) credit.....	—	*3	( <sup>1</sup> )	1	1	1	( <sup>1</sup> )	—
Additional tax for tax preferences.....	35,111	2,032	3,773	5,955	*477	*855	*44	*110
Foreign tax credit.....	323,530	197,825	1,914,522	724,615	1,037,232	150,742	255,019	41,903
U.S. possessions tax credit.....	4,844	20,611	65,113	174,711	2,187	—	42,450	20,835
Investment credit.....	336,506	223,986	485,390	428,761	539,124	83,056	89,003	44,349
Work incentive (WIN) credit.....	494	754	724	754	5,591	204	157	159
Jobs credit.....	32,349	160,088	112,753	97,880	23,126	23,635	23,758	34,576
Distributions to stockholders.....								
Cash and property except in own stock.....	1,339,748	948,193	3,580,771	2,330,689	2,745,987	789,916	723,293	208,324
Corporation's own stock.....	44,214	70,135	81,066	48,781	*6,127	36,111	28,046	33,738

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 1.2 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued								
	Transportation and public utilities				Wholesale and retail trade				
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Wholesale trade			
						Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns, total.....	92,669	71,562	6,830	12,494	721,443	254,682	27,035	47,600	180,047
Total assets.....	597,721,008	140,980,162	162,682,751	294,058,075	486,146,204	252,600,616	22,887,721	41,445,155	188,267,740
Cash.....	8,633,367	4,956,638	1,502,848	2,173,882	29,467,519	14,783,923	1,465,076	2,400,590	10,918,257
Notes and accounts receivable.....	45,871,162	18,192,903	10,651,376	17,026,883	129,992,890	87,750,961	7,584,265	14,097,998	66,068,697
Less: Allowance for bad debts.....	663,083	265,795	168,716	228,572	2,534,956	1,478,348	151,609	247,864	1,078,875
Inventories.....	20,185,622	4,472,598	4,661,446	11,051,579	158,135,586	72,911,578	6,411,364	14,015,526	52,484,688
Investments in Government obligations:									
United States.....	5,517,374	2,101,133	1,823,758	1,592,483	1,241,384	680,295	143,921	48,897	487,477
State and local.....	283,480	252,716	26,399	4,365	357,312	209,909	*25,135	13,498	171,276
Other current assets.....	20,486,673	7,245,135	3,505,688	9,735,850	15,925,718	8,675,904	895,274	1,149,191	6,631,439
Loans to stockholders.....	800,359	707,590	52,319	40,089	3,362,442	1,324,387	184,472	166,483	973,432
Mortgage and real estate loans.....	1,596,257	495,736	247,199	853,322	1,504,146	591,147	64,143	66,523	460,481
Other investments.....	49,018,159	18,859,567	13,615,034	16,543,550	38,636,205	25,787,454	1,127,199	3,208,912	21,451,344
Depreciable assets.....	569,615,144	113,380,700	157,006,035	299,228,408	445,203,300	54,178,281	7,380,629	8,169,672	38,627,980
Less: Accumulated depreciation.....	145,856,721	39,141,023	33,917,084	72,800,614	58,188,223	22,691,294	3,262,521	3,302,175	16,126,597
Depletable assets.....	3,614,799	795,227	*5,864	2,813,708	834,242	669,461	7,167	44,054	618,240
Less: Accumulated depletion.....	1,038,636	240,873	1,283	796,479	251,760	185,795	*378	20,982	164,434
Land.....	5,764,608	2,153,210	648,482	2,962,916	10,429,499	3,694,979	342,408	449,352	2,903,218
Intangible assets (amortizable).....	4,005,799	2,138,099	1,408,144	458,747	2,843,099	925,438	88,546	128,331	708,561
Less: Accumulated amortization.....	1,343,804	804,575	439,802	99,426	877,815	298,305	33,086	40,947	224,272
Other assets.....	11,232,447	5,680,025	2,055,043	3,497,376	11,065,617	5,070,642	615,715	1,098,097	3,356,830
Total liabilities.....	597,721,008	140,980,162	162,682,751	294,058,075	486,146,204	252,600,616	22,887,721	41,445,155	188,267,740
Accounts payable.....	28,461,974	11,097,759	5,237,151	12,127,064	102,000,972	61,453,945	6,287,636	7,434,592	47,731,717
Mortgages, notes, and bonds payable in less than one year.....	24,116,998	8,711,236	5,766,359	9,639,402	75,766,185	42,091,847	3,112,494	8,286,311	30,693,042
Other current liabilities.....	63,123,773	18,231,338	19,604,186	25,288,249	41,004,863	18,525,522	1,998,905	3,129,289	13,872,328
Loans from stockholders.....	2,935,604	1,789,995	586,545	559,064	13,365,153	5,493,863	690,251	920,699	3,882,913
Mortgages, notes, and bonds payable in one year or more.....	204,786,763	41,244,896	51,354,589	112,187,277	71,427,941	29,709,412	3,052,031	4,640,872	22,016,509
Other liabilities.....	33,135,455	9,535,038	8,243,103	15,357,313	10,183,495	4,471,695	790,572	687,237	2,993,886
Capital stock.....	91,119,066	11,139,851	20,241,169	59,738,046	33,971,813	16,723,218	1,410,879	2,405,371	12,906,968
Paid-in or capital surplus.....	60,831,325	17,316,685	20,537,910	22,976,729	22,009,556	10,479,088	860,386	1,261,893	8,356,808
Retained earnings, appropriated.....	1,895,950	609,044	313,420	973,486	2,090,773	1,180,782	61,333	65,977	1,053,771
Retained earnings, unappropriated.....	88,640,009	22,075,908	31,242,225	35,321,876	119,657,353	65,175,440	4,849,228	13,059,546	47,266,666
Less: Cost of treasury stock.....	1,325,908	771,570	443,906	110,432	5,331,898	2,704,197	225,695	446,632	2,031,870
Total receipts.....	372,888,491	148,130,747	81,235,961	143,531,783	1,461,404,863	770,443,928	125,821,589	86,446,679	558,175,459
Business receipts.....	360,687,424	141,176,945	79,664,672	139,845,807	1,436,428,884	758,743,748	124,510,198	84,258,151	549,975,399
Interest on Government obligations:									
United States.....	218,544	134,348	31,972	52,225	127,228	78,043	11,462	6,446	60,135
State and local.....	10,550	5,834	1,728	2,988	72,789	17,709	1,647	2,477	13,585
Other interest.....	2,716,343	1,062,447	328,336	1,325,560	5,093,750	2,695,992	182,876	559,315	1,953,800
Rents.....	2,260,376	1,419,578	463,728	377,070	1,155,040	132,381	384,585	638,074	3,882,913
Royalties.....	219,596	110,654	78,754	30,188	272,688	81,890	12,546	11,164	58,180
Net short-term capital gain reduced by net long-term capital loss.....	55,487	13,083	29,060	13,344	52,930	30,159	8,139	2,351	19,669
Net long-term capital gain reduced by net short-term capital loss.....	1,041,440	632,849	100,771	307,820	1,409,010	614,959	48,390	98,949	467,619
Net gain, noncapital assets.....	1,201,831	887,280	89,589	143,982	815,212	485,742	79,073	124,254	282,415
Dividends received from domestic corporations.....	307,836	86,595	149,044	72,197	720,340	398,375	17,367	61,002	319,987
Dividends received from foreign corporations.....	223,792	145,646	58,615	19,532	310,646	193,838	2,502	8,282	183,054
Other receipts.....	4,036,272	2,455,488	239,713	1,341,071	12,976,084	5,948,433	814,989	929,901	4,203,542
Total deductions.....	352,027,145	143,401,658	73,262,085	135,383,401	1,426,238,358	750,908,495	124,391,012	81,615,392	544,902,091
Cost of sales and operations.....	227,211,452	97,652,974	37,350,875	92,207,602	1,134,768,864	642,166,017	109,793,988	63,611,720	468,760,310
Compensation of officers.....	2,926,635	2,016,280	436,489	473,865	23,012,159	11,288,458	1,229,682	2,112,369	7,946,405
Repairs.....	535,781	198,964	98,983	237,834	4,863,215	1,739,383	323,171	257,077	1,195,135
Bad debts.....	1,197,801	334,214	524,952	338,635	2,849,793	1,573,769	167,730	292,066	1,113,973
Rent paid on business property.....	7,247,322	5,514,281	1,097,106	635,935	18,140,821	4,168,035	631,099	958,663	2,941,074
Taxes paid.....	20,687,391	6,248,195	5,307,603	9,131,593	19,782,132	7,805,918	867,596	990,510	5,947,811
Interest paid.....	18,142,886	4,077,222	4,175,089	9,890,575	13,677,333	6,610,760	573,940	1,105,266	4,931,554
Contributions or gifts.....	166,922	47,707	69,657	49,557	329,873	150,087	14,389	25,405	110,293
Amortization.....	236,021	87,548	31,881	116,592	120,743	43,085	3,440	10,316	29,329
Depreciation.....	30,287,913	7,454,491	11,252,026	11,581,396	13,268,846	5,292,984	708,282	1,073,587	3,511,115
Depletion.....	312,527	95,564	1,149	215,815	149,789	121,823	253	8,474	113,097
Advertising.....	1,369,904	716,804	517,583	135,517	12,904,818	2,904,198	289,103	397,028	2,218,067
Pension, profit-sharing, stock bonus, and annuity plans.....	6,407,293	1,803,164	3,162,968	1,441,161	4,415,214	2,146,811	276,450	374,815	1,495,546
Employee benefit programs.....	3,383,937	1,421,357	1,342,115	620,465	3,182,625	1,246,825	207,306	214,618	824,900
Net loss, noncapital assets.....	103,206	24,648	19,737	58,821	241,874	108,703	13,747	10,962	83,995
Other deductions.....	31,810,154	15,708,246	7,873,871	8,228,037	174,530,260	63,541,639	9,290,837	10,535,315	43,715,487
Total receipts less total deductions.....	20,871,346	4,729,089	7,973,876	8,168,382	35,166,504	19,535,433	1,430,577	4,831,487	13,273,369
Constructive taxable income from related foreign corporations.....	141,157	60,512	57,393	23,253	665,643	574,164	*1,747	8,010	564,407
Net income (less deficit).....	21,001,854	4,783,767	8,029,540	8,188,647	35,759,358	20,091,887	1,430,677	4,837,020	13,824,191
Net income.....	23,305,319	6,740,862	8,150,013	8,414,444	41,432,239	22,856,078	1,690,403	5,255,431	15,910,605
Deficit.....	2,303,365	1,957,095	120,473	225,798	5,672,882	2,764,191	259,366	418,411	2,086,414
Income subject to tax.....	22,090,821	6,005,914	7,842,579	8,242,328	30,594,403	14,531,349	1,340,584	2,690,073	10,500,692
Income tax, total.....	10,394,378	2,681,238	3,795,139	3,918,001	12,479,414	5,990,841	553,447	1,098,044	4,339,350
Normal tax, surtax, and alternative tax.....	10,252,353	2,654,495	3,717,532	3,880,326	12,386,647	5,940,450	549,240	1,081,766	4,309,444
Tax from recomputing prior-year investment credit.....	124,417	18,651	77,398	28,368	86,219	45,483	4,168	15,552	25,663
Tax from recomputing prior-year work incentive (WIN) credit.....	*4	*3	—	1	*13	*8	*7	—	*1
Additional tax for tax preferences.....	17,604	8,090	*210	9,305	6,534	4,900	32	626	4,242
Foreign tax credit.....	222,436	113,735	61,965	46,736	594,197	478,029	1,271	16,403	460,354
U.S. possessions tax credit.....	25,054	358	24,695	—	19,522	13,111	428	47	12,637
Investment credit.....	4,765,971	1,202,321	1,658,219	1,905,521	1,087,793	432,258	57,347	88,651	286,259
Work incentive (WIN) credit.....	463	315	73	75	3,378	1,886	61	149	1,676
Jobs credit.....	123,751	94,073	16,865	12,812	860,923	345,315	36,564	71,501	237,250
Distributions to stockholders:									
Cash and property except in own stock.....	13,666,472	1,436,434	4,431,805	7,798,234	7,272,502	4,533,924	212,086	1,380,795	2,941,044
Corporation's own stock.....	133,163	51,808	20,106	61,250	342,950	171,707	28,707	29,664	113,336

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 1.2 — Balance Sheets and Income Statements, by Major Industry — Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Major industry — Continued									
	Wholesale and retail trade — Continued									
	Retail trade									
	Total	Building materials, garden supplies, and mobile home dealers	General merchandise stores	Food stores	Automotive dealers and service stations	Apparel and accessory stores	Furniture and home furnishings stores	Eating and drinking places	Miscellaneous retail stores	Wholesale and retail trade not allocable
	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
Number of returns, total.....	465,920	34,662	9,913	32,339	74,965	42,572	36,684	101,054	133,731	841
Total assets.....	233,287,520	17,128,477	57,343,413	28,073,094	47,336,665	12,564,831	11,511,337	20,365,980	38,963,723	258,068
Cash.....	14,649,029	1,178,970	1,876,532	2,217,981	2,645,817	1,163,773	887,379	1,681,984	2,996,591	34,568
Notes and accounts receivable.....	42,185,111	4,145,586	17,208,944	1,572,629	6,540,822	1,920,090	2,976,396	1,198,764	6,621,879	56,818
Less: Allowance for bad debts.....	1,054,873	131,505	273,863	28,339	168,849	49,254	102,187	18,920	281,956	*1,735
Inventories.....	85,152,782	6,890,070	16,285,867	8,883,771	25,882,948	5,333,249	4,976,607	1,268,817	15,613,298	71,226
Investments in Government obligations:										
United States.....	561,089	23,024	52,928	249,414	49,095	52,628	*4,317	66,275	63,408	—
State and local.....	147,403	*3,012	9,667	45,233	5,118	17,443	*13,432	11,094	42,404	—
Other current assets.....	7,240,639	345,483	1,255,084	1,184,054	1,336,532	599,738	289,260	889,160	1,341,329	9,175
Loans to stockholders.....	2,036,277	110,964	485,457	123,437	300,784	333,955	68,764	322,594	290,320	*1,778
Mortgage and real estate loans.....	912,999	74,719	344,921	32,602	125,813	37,729	36,145	170,040	90,830	—
Other investments.....	12,824,974	748,667	4,844,587	1,856,313	1,065,309	656,436	357,796	1,037,755	2,158,099	23,777
Depreciable assets.....	90,915,574	4,966,192	20,310,969	17,241,945	12,038,202	3,593,544	2,668,375	16,386,277	13,890,070	109,444
Less: Accumulated depreciation.....	36,440,765	2,201,884	7,807,829	7,139,652	4,776,779	1,605,727	1,118,735	5,905,295	5,884,864	56,164
Depletable assets.....	164,781	17,557	—	*284	16,509	*18,576	*2,267	*6,414	103,174	—
Less: Accumulated depletion.....	65,965	*3,638	—	*158	5,753	*7,080	*1,236	*1,463	46,818	—
Land.....	6,727,076	529,306	1,565,189	835,568	1,347,970	154,182	248,313	1,359,491	687,056	*7,445
Intangible assets (amortizable).....	1,916,701	140,435	104,225	348,349	112,810	87,996	18,498	810,110	296,279	959
Less: Accumulated amortization.....	579,068	40,970	24,935	114,621	30,878	25,967	6,958	224,568	110,151	443
Other assets.....	5,993,755	312,487	1,105,659	666,082	851,194	283,540	182,903	1,289,317	1,292,572	1,221
Total liabilities.....	233,287,520	17,128,477	57,343,413	28,073,094	47,336,665	12,564,831	11,511,337	20,365,980	38,963,723	258,068
Accounts payable.....	40,492,691	2,701,614	12,146,721	6,078,639	4,704,076	2,361,580	2,237,291	2,238,736	8,024,033	54,335
Mortgages, notes, and bonds payable in less than one year.....	33,649,122	2,206,174	2,619,450	1,051,984	20,189,407	794,454	1,311,451	1,493,335	3,982,867	25,215
Other current liabilities.....	22,461,550	1,326,995	7,522,811	2,823,527	3,207,230	1,226,159	1,112,209	1,749,300	3,393,318	17,791
Loans from stockholders.....	7,848,585	673,684	781,039	511,866	1,388,318	482,379	501,481	1,620,712	1,889,107	22,704
Mortgages, notes, and bonds payable in one year or more.....	41,668,951	2,690,945	10,492,982	6,653,033	5,418,451	1,506,722	1,640,138	6,802,441	6,464,241	49,578
Other liabilities.....	5,702,484	430,866	1,419,698	857,079	645,763	315,713	518,645	677,959	836,760	9,317
Capital stock.....	17,230,418	1,563,161	2,998,101	1,681,594	3,426,060	1,311,333	1,130,378	1,790,610	3,329,180	18,177
Paid-in or capital surplus.....	11,516,507	647,061	3,189,293	1,896,761	1,001,043	799,604	472,976	1,412,926	2,096,843	*11,961
Retained earnings, appropriated.....	609,991	46,779	207,044	21,308	163,507	99,738	133,649	84,509	153,459	—
Retained earnings, unappropriated.....	54,430,683	5,097,518	16,294,218	6,876,512	7,731,016	3,869,611	2,688,483	23,747,747	9,331,578	51,230
Less: Cost of treasury stock.....	2,625,462	256,322	327,944	281,209	538,205	202,663	233,363	248,293	537,663	*2,239
Total receipts.....	890,317,471	42,579,613	102,704,959	145,344,858	193,462,366	28,968,021	28,304,130	50,271,760	100,681,783	643,484
Business receipts.....	677,061,531	41,826,115	99,153,968	144,020,986	190,418,999	28,295,767	25,407,530	49,052,967	98,885,180	623,605
Interest on Government obligations:										
United States.....	49,185	2,667	6,707	20,453	3,822	2,509	1,599	6,124	5,303	—
State and local.....	55,080	188	3,512	42,731	2,612	1,276	1,190	1,295	2,275	—
Other interest.....	2,396,232	163,354	571,125	155,644	871,188	116,108	136,550	98,627	283,635	1,526
Rents.....	1,968,301	121,069	510,667	262,125	419,995	66,925	72,440	240,060	255,021	*1,961
Royalties.....	190,797	1,185	*1,022	32,358	6,161	*643	*1,679	127,065	18,684	*1
Net short-term capital gain reduced by net long-term capital loss.....	22,771	920	924	1,625	2,456	*1,061	1,503	3,465	10,816	—
Net long-term capital gain reduced by net short-term capital loss.....	793,968	59,602	333,679	58,634	90,854	22,891	17,124	100,421	110,763	*83
Net gain, noncapital assets.....	327,387	31,857	30,785	39,162	89,274	9,985	13,996	40,807	71,521	*2,083
Dividends received from domestic corporations.....	321,940	8,880	188,559	11,693	13,114	66,808	8,621	6,354	19,910	*25
Dividends received from foreign corporations.....	116,808	*311	81,282	*23,450	*129	*37	211	3,367	8,041	—
Other receipts.....	7,013,470	363,464	1,824,749	675,996	1,541,760	364,011	641,686	591,188	1,010,616	14,181
Total deductions.....	674,690,895	41,051,073	99,138,368	143,075,553	191,324,898	27,702,106	25,511,244	49,012,752	97,874,901	639,166
Cost of sales and operations.....	492,187,147	30,575,060	64,133,254	112,118,806	162,197,823	18,824,809	16,052,786	21,855,436	68,409,174	435,699
Compensation of officers.....	11,698,384	1,168,735	4,088,842	906,823	2,652,959	929,257	1,021,028	1,654,121	2,956,619	25,319
Repairs.....	3,119,932	183,317	515,434	751,053	429,630	107,562	97,996	627,633	407,306	3,900
Bad debts.....	1,270,400	170,404	227,158	72,527	323,220	70,205	127,295	47,556	234,034	5,624
Rent paid on business property.....	13,965,853	154,889	2,601,497	2,020,235	1,515,728	1,681,400	775,603	2,426,242	2,430,059	7,132
Taxes paid.....	11,965,093	756,880	2,409,426	1,831,197	1,964,794	857,050	523,477	1,907,046	1,915,224	11,121
Interest paid.....	7,060,214	486,646	1,833,004	502,341	2,107,273	223,710	299,980	893,523	913,736	6,359
Contributions or gifts.....	179,815	13,653	53,120	24,360	22,354	14,421	9,291	10,310	32,105	172
Amortization.....	77,657	3,703	9,186	5,682	5,736	6,189	1,218	21,759	24,204	—
Depreciation.....	7,962,110	437,683	1,407,020	1,385,580	1,404,459	334,663	262,750	1,434,284	1,295,672	13,752
Depletion.....	27,965	1,378	*2,597	*32	4,762	*1,539	*314	1,858	15,485	—
Advertising.....	9,696,855	510,952	2,592,180	1,377,676	1,522,233	607,876	919,311	905,763	1,560,664	3,965
Pension, profit-sharing, stock bonus, and annuity plans.....	2,266,182	162,206	668,955	583,888	229,924	113,759	79,896	105,412	322,121	*2,240
Employee benefit programs.....	1,933,916	111,738	333,021	644,734	323,698	69,890	69,887	140,572	240,375	1,884
Net loss, noncapital assets.....	133,096	4,366	21,472	14,849	12,100	8,306	2,481	49,563	19,960	*75
Other deductions.....	110,866,695	5,949,464	21,822,201	20,835,769	16,708,005	6,051,489	5,269,930	17,131,673	17,098,165	121,926
Total receipts less total deductions.....	15,626,776	1,526,540	3,566,591	2,269,305	2,137,668	1,265,915	792,886	1,259,008	2,806,862	4,296
Constructive taxable income from related foreign corporations.....	91,479	1	60,371	22,795	41	*1	8	1,767	6,495	—
Net income (less deficit).....	15,663,175	1,528,354	3,623,450	2,249,369	2,135,097	1,264,640	791,704	1,259,479	2,811,082	4,296
Net income.....	18,561,515	1,757,416	3,773,141	2,504,449	2,577,928	1,526,395	1,012,299	1,904,759	3,505,083	14,645
Deficit.....	2,898,341	229,663	149,691	255,124	442,831	261,755	220,595	645,280	694,001	10,350
Income subject to tax.....	16,053,325	1,541,802	3,487,897	2,307,580	2,155,626	1,317,056	820,757	1,484,651	2,937,756	9,729
Income tax, total.....	6,485,763	596,442	1,566,148	1,019,083	772,428	532,909	292,660	568,449	1,117,844	2,810
Normal tax, surtax, and alternative tax.....	6,443,419	593,746	1,581,133	1,013,045	760,829	531,464	291,408	562,361	1,109,434	2,776
Tax from recomputing prior-year investment credit.....	40,704	2,661	4,617	5,916	11,329	1,435	1,186	5,759	7,800	*32
Tax from recomputing prior-year work incentive (WIN) credit.....	*5	—	—	*3	—	—	*1	—	—	—
Additional tax for tax preferences.....	1,635	*35	398	118	270	10	65	327	*411	—
Foreign tax credit.....	116,169	54	72,361	23,771	26	*100	21	6,828	13,006	—
U.S. possessions tax credit.....	6,412	—	361	2,495	—	1,594	855	1,065	241	—
Investment credit.....	654,949	35,862	153,018	139,615	75,615	25,767	13,670	102,219	109,182	586
Work incentive (WIN) credit.....	1,492	*628	105	76	274	*42	*29	50	288	—
Jobs credit.....	515,214	51,673	18,053	52,617	123,225	37,661	29,469	110,738	91,778	*394
Distributions to stockholders.....										
Cash and property except in own stock.....	2,735,592	121,799	1,082,602	372,745	170,977	244,551	68,777	236,995	437,146	*2,986
Corporation's own stock.....	171,188	9,592	45,938	45,568	20,856	*4,869	*2,952	21,180	20,433	*56

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 1.2 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued							
	Finance, insurance, and real estate							
	Total	Banking	Credit agencies other than banks	Security, commodity brokers and services	Insurance	Insurance agents, brokers, and service	Real estate	Holding and other investment companies, except bank holding companies
	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
Number of returns, total.....	454,301	15,347	54,785	6,699	8,208	43,118	275,939	50,205
<b>Total assets.....</b>	<b>3,249,397,057</b>	<b>1,725,421,986</b>	<b>640,407,256</b>	<b>55,232,583</b>	<b>584,039,465</b>	<b>13,418,085</b>	<b>114,228,660</b>	<b>118,649,022</b>
Cash.....	302,242,597	259,187,976	17,352,733	2,062,162	7,582,277	2,510,962	6,744,564	6,801,924
Notes and accounts receivable.....	1,024,775,875	883,720,191	72,709,163	30,779,129	16,860,235	4,351,316	10,593,863	5,761,978
Less: Allowance for bad debts.....	28,165,859	9,720,743	17,145,919	28,180	242,119	189,036	571,359	268,502
Inventories.....	6,195,753	92,340	1,770,695	*68,716	1,422,791	10,002	2,676,482	154,728
Investments in Government obligations:								
United States.....	199,381,579	139,281,639	23,345,909	3,950,809	28,803,630	277,852	564,882	3,156,856
State and local.....	179,924,946	116,409,279	1,855,490	249,740	58,840,544	138,319	328,900	2,102,674
Other current assets.....	85,008,936	25,744,088	9,882,087	12,412,861	18,960,319	593,994	11,896,299	5,519,287
Loans to stockholders.....	4,851,553	1,054,482	1,181,906	59,457	172,895	176,177	1,560,644	645,993
Mortgage and real estate loans.....	752,003,125	145,070,214	488,375,760	151,293	107,284,289	804,165	5,650,074	4,667,330
Other investments.....	528,560,679	94,336,451	24,261,973	3,580,289	312,556,132	2,700,746	10,936,105	80,188,982
Depreciable assets.....	125,555,463	31,432,741	12,923,473	1,008,229	10,339,786	1,428,577	63,075,539	5,347,118
Less: Accumulated depreciation.....	38,597,918	7,743,358	3,904,229	356,925	2,146,739	592,382	22,566,815	1,287,470
Depletable assets.....	907,358	5,909	104,238	95,795	12,546	*1,410	362,145	325,316
Less: Accumulated depletion.....	326,526	1,203	39,984	17,002	818	*82	149,117	118,319
Land.....	27,691,268	2,785,703	2,860,861	54,215	684,496	131,868	18,836,263	2,337,861
Intangible assets (amortizable).....	1,780,835	291,767	257,281	51,508	273,712	328,575	485,835	92,156
Less: Accumulated amortization.....	562,379	70,819	92,936	15,493	66,513	107,161	174,521	34,935
Other assets.....	78,169,771	43,545,328	4,708,755	1,125,982	22,702,003	852,784	3,978,878	1,256,042
<b>Total liabilities.....</b>	<b>3,249,397,057</b>	<b>1,725,421,986</b>	<b>640,407,256</b>	<b>55,232,583</b>	<b>584,039,465</b>	<b>13,418,085</b>	<b>114,228,660</b>	<b>118,649,022</b>
Accounts payable.....	61,187,723	11,193,943	5,231,995	19,913,044	13,642,121	5,002,164	4,156,884	2,047,570
Mortgages, notes, and bonds payable in less than one year.....	145,630,082	43,338,043	65,707,264	11,921,816	4,774,641	656,911	14,310,424	4,920,983
Other current liabilities.....	2,046,953,912	1,474,076,678	441,731,560	14,576,370	104,831,541	2,173,029	6,059,764	3,504,970
Loans from stockholders.....	15,061,385	4,704,505	2,173,823	124,947	1,339,607	244,961	5,505,536	968,006
Mortgages, notes, and bonds payable in one year or more.....	183,378,965	31,855,391	78,822,427	2,179,164	8,411,192	1,137,215	50,454,465	10,519,110
Other liabilities.....	431,645,341	41,035,584	13,699,801	1,249,753	364,552,402	360,372	6,871,838	3,875,587
Capital stock.....	76,252,103	22,626,655	7,431,420	1,057,340	6,015,953	789,330	10,093,451	28,237,353
Paid-in or capital surplus.....	137,437,964	38,598,265	6,490,252	1,873,179	16,496,257	649,944	9,860,017	63,469,950
Retained earnings, appropriated.....	24,376,744	5,042,084	4,550,523	89,062	12,554,005	56,982	411,367	1,672,721
Retained earnings, unappropriated.....	137,382,627	53,543,874	14,912,384	2,430,180	52,237,999	2,589,687	7,963,369	3,705,138
Less: Cost of treasury stock.....	9,909,687	593,037	344,193	182,871	816,257	249,503	1,458,455	6,272,367
<b>Total receipts.....</b>	<b>474,890,489</b>	<b>130,458,772</b>	<b>64,275,478</b>	<b>10,040,342</b>	<b>203,175,208</b>	<b>12,101,551</b>	<b>42,131,219</b>	<b>12,507,918</b>
Business receipts.....	234,578,853	13,515,753	14,594,888	4,272,376	163,445,277	11,492,158	24,949,050	2,309,351
Interest on Government obligations:								
United States.....	14,825,729	10,394,528	1,823,903	329,325	1,806,371	20,351	58,916	392,335
State and local.....	8,670,677	5,554,708	140,929	57,594	2,735,671	10,900	27,725	143,151
Other interest.....	170,706,647	93,829,622	45,218,173	1,713,909	24,957,676	239,244	1,479,644	3,268,379
Rents.....	15,326,699	1,932,412	521,132	25,371	2,702,216	30,804	9,333,494	781,271
Royalties.....	569,835	25,356	19,416	10,886	24,316	925	86,190	402,745
Net short-term capital gain reduced by net long-term capital loss.....	494,629	29,870	25,434	93,097	50,193	840	54,617	240,578
Net long-term capital gain reduced by net short-term capital loss.....	3,726,380	315,480	291,190	48,805	316,211	34,119	1,165,677	1,554,897
Net gain, noncapital assets.....	7,050,888	384,237	242,526	2,923,768	106,813	22,719	3,304,178	66,648
Dividends received from domestic corporations.....	6,308,701	449,696	66,773	97,330	3,227,915	47,913	130,133	2,288,942
Dividends received from foreign corporations.....	337,628	121,066	30,079	5,353	51,542	12,866	3,540	113,182
Other receipts.....	12,093,822	3,906,045	1,301,036	462,529	3,751,006	188,712	1,538,055	946,440
<b>Total deductions.....</b>	<b>432,294,860</b>	<b>116,533,848</b>	<b>60,189,766</b>	<b>9,382,992</b>	<b>187,920,830</b>	<b>10,949,079</b>	<b>38,828,981</b>	<b>8,478,365</b>
Cost of sales and operations.....	111,618,648	804,207	6,361,679	41,772	91,519,817	2,575,674	8,767,538	1,177,962
Compensation of officers.....	11,819,056	4,587,505	1,158,052	878,091	814,659	1,816,014	2,233,414	331,322
Repairs.....	1,955,910	623,075	224,516	26,299	86,136	34,361	906,948	54,576
Bad debts.....	7,251,873	3,946,861	2,574,239	37,571	333,415	85,992	184,721	89,174
Rent paid on business property.....	5,740,927	2,164,132	524,264	320,782	1,181,711	306,776	1,143,026	100,236
Taxes paid.....	12,338,847	3,011,613	1,082,273	257,086	4,349,571	338,850	3,011,215	288,240
Interest paid.....	118,850,328	69,588,435	37,182,809	1,888,648	3,676,172	171,971	5,065,159	1,277,134
Contributions or gifts.....	305,343	159,377	38,995	9,463	42,563	13,003	31,878	10,063
Amortization.....	139,384	38,976	16,465	8,918	18,520	14,212	36,407	5,886
Depreciation.....	9,349,094	3,627,860	914,652	143,249	1,468,468	189,826	2,784,686	220,352
Depletion.....	156,602	3,624	20,471	20,023	14,270	*121	28,810	69,283
Advertising.....	3,538,542	1,051,782	736,900	77,121	611,070	162,155	866,925	32,589
Pension, profit-sharing, stock bonus, and annuity plans.....	3,899,204	1,387,337	334,638	140,301	1,521,176	266,715	187,984	61,053
Employee benefit programs.....	1,689,368	769,473	184,613	69,429	424,544	118,872	100,890	21,547
Net loss, noncapital assets.....	931,332	467,713	149,966	52,465	34,771	2,414	151,371	72,631
Other deductions.....	142,710,401	26,301,878	8,695,232	5,041,774	81,823,967	4,852,222	13,329,010	2,666,316
<b>Total receipts less total deductions.....</b>	<b>42,595,629</b>	<b>11,924,924</b>	<b>4,075,712</b>	<b>657,350</b>	<b>15,254,378</b>	<b>1,152,472</b>	<b>3,301,238</b>	<b>6,028,553</b>
Constructive taxable income from related foreign corporations.....	148,982	43,747	26,892	*1,702	19,257	9,783	1,988	45,814
Net income (less deficit).....	33,873,934	8,413,984	3,961,475	601,459	12,537,964	1,151,355	3,275,501	5,932,216
Net income.....	38,585,831	7,290,758	4,689,894	762,784	12,856,995	1,279,781	5,133,298	8,492,342
Deficit.....	4,711,897	876,794	708,419	161,305	419,030	128,426	1,857,797	560,128
Income subject to tax.....	28,968,842	6,840,767	4,347,221	816,648	9,515,499	995,444	3,732,111	1,121,153
Income tax, total.....	11,820,213	3,033,149	2,049,923	270,707	4,494,538	388,243	1,272,490	411,162
Normal tax, surtax, and alternative tax.....	11,758,250	2,996,880	1,952,387	269,992	4,488,047	386,346	1,259,657	402,940
Tax from recomputing prior-year investment credit.....	42,778	16,206	10,114	537	5,568	1,491	6,682	2,177
Tax from recomputing prior-year work incentive (WIN) credit.....	*2	*1	*1	—	1	—	—	—
Additional tax for tax preferences.....	121,184	20,061	87,422	178	921	*406	6,151	6,045
Foreign tax credit.....	1,103,998	767,374	42,742	4,790	221,016	11,867	4,742	51,466
U.S. possessions tax credit.....	6,786	—	5,817	399	—	—	138	431
Investment credit.....	695,842	357,311	69,446	21,099	158,564	14,842	63,543	11,037
Work incentive (WIN) credit.....	1,094	165	90	—	236	*178	*421	*4
Jobs credit.....	204,232	78,764	30,107	8,328	23,131	19,508	39,545	4,849
Distributions to stockholders:								
Cash and property except in own stock.....	13,599,824	3,280,342	862,474	173,183	2,965,359	279,941	859,864	5,178,661
Corporation's own stock.....	844,392	456,245	38,998	31,536	110,709	*2,722	60,591	143,590

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 1.2 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued							
	Services							Nature of business not allocable
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total.....	560,018	18,710	41,883	138,903	85,284	44,826	250,410	7,110
Total assets.....	134,379,134	16,302,224	8,319,852	40,914,190	18,504,154	22,950,851	31,387,863	2,013,976
Cash.....	13,102,050	1,201,354	704,210	3,915,061	1,098,696	1,919,156	4,263,574	266,236
Notes and accounts receivable.....	23,303,891	980,008	1,133,290	10,479,582	2,711,298	2,586,947	5,412,766	409,848
Less: Allowance for bad debts.....	712,479	53,282	37,757	222,322	46,089	134,090	218,939	4,222
Inventories.....	6,468,683	217,574	450,718	1,697,332	1,179,044	1,688,954	1,235,062	469,562
Investments in Government obligations:								
United States.....	695,537	12,671	29,653	247,389	92,925	118,551	194,348	*4,551
State and local.....	671,841	*10,803	*43,960	432,780	*18,759	41,180	124,359	*3,133
Other current assets.....	8,415,325	459,836	281,016	2,845,085	573,110	2,505,874	1,750,404	87,984
Loans to stockholders.....	1,779,110	165,727	107,081	402,083	100,313	194,312	809,595	29,677
Mortgage and real estate loans.....	1,799,957	286,154	30,045	311,575	39,498	855,386	277,299	*3,550
Other investments.....	13,144,482	1,920,781	460,350	5,429,134	508,152	2,267,001	2,559,064	132,454
Depreciable assets.....	66,863,656	13,648,744	4,941,192	20,765,229	14,664,584	14,228,474	18,615,432	795,195
Less: Accumulated depreciation.....	35,061,076	4,744,877	2,585,103	8,945,477	5,495,269	6,479,564	6,810,786	350,719
Depletable assets.....	188,950	*5,530	*82	55,735	*10,711	48,716	68,176	*41,669
Less: Accumulated depletion.....	45,949	*46	*21	16,038	*1,414	*17,300	11,130	*17,382
Land.....	5,959,937	1,546,689	343,056	770,667	537,060	1,434,027	1,328,438	64,137
Intangible assets (amortizable).....	2,503,763	143,407	103,169	691,775	72,604	1,119,506	373,302	7,988
Less: Accumulated amortization.....	1,166,096	46,573	32,519	192,026	23,435	725,566	145,976	3,134
Other assets.....	6,467,551	547,725	347,430	2,246,627	463,607	1,299,288	1,562,874	73,449
Total liabilities.....	134,379,134	18,302,224	8,319,852	40,914,190	18,504,154	22,950,851	31,387,863	2,013,976
Accounts payable.....	12,833,025	730,001	487,057	5,230,633	1,513,496	2,028,466	2,843,373	359,682
Mortgages, notes, and bonds payable in less than one year.....	15,310,951	940,883	554,861	5,510,189	3,282,578	1,996,540	3,025,900	304,698
Other current liabilities.....	16,819,329	1,044,345	734,533	5,155,753	1,553,992	4,189,097	4,141,610	179,371
Loans from stockholders.....	5,645,187	881,569	275,030	1,467,082	539,125	981,563	1,500,819	87,552
Mortgages, notes, and bonds payable in one year or more.....	38,078,766	8,067,393	1,362,457	9,380,117	4,977,792	5,626,142	8,664,865	304,814
Other liabilities.....	6,861,609	619,035	247,094	2,321,083	878,189	1,122,746	1,673,462	76,427
Capital stock.....	11,213,167	1,477,220	793,135	2,545,794	872,749	2,513,961	3,010,308	166,081
Paid-in or capital surplus.....	11,159,054	1,308,557	212,531	4,272,729	547,524	1,969,462	2,848,251	108,856
Retained earnings, appropriated.....	408,435	39,492	30,207	128,812	23,567	90,041	96,315	*4,152
Retained earnings, unappropriated.....	18,260,517	1,505,102	1,830,143	5,503,303	2,493,873	2,718,900	4,209,196	465,998
Less: Cost of treasury stock.....	2,210,907	311,371	207,195	601,304	178,371	286,068	626,238	63,657
Total receipts.....	210,606,073	13,655,157	11,324,130	64,003,341	21,659,245	24,621,179	75,443,022	5,616,660
Business receipts.....	201,678,049	12,623,975	10,969,982	61,166,853	20,780,549	22,758,756	73,377,934	5,483,247
Interest on Government obligations:								
United States.....	59,885	1,425	1,690	24,496	6,677	10,086	15,511	1,017
State and local.....	36,717	1,160	4,366	19,731	*1,006	2,767	7,686	*311
Other interest.....	1,428,132	120,762	55,519	566,746	128,296	255,216	301,592	18,313
Rents.....	1,747,642	125,795	78,276	701,074	221,263	329,951	291,261	23,861
Royalties.....	568,218	101,172	23,265	38,152	1,318	380,680	23,631	*4061
Net short-term capital gain reduced by net long-term capital loss.....	47,381	4,908	*3,333	12,209	1,320	5,258	20,352	*59
Net long-term capital gain reduced by net short-term capital loss.....	584,112	106,698	44,151	159,126	39,812	105,245	129,081	4,838
Net gain, noncapital assets.....	609,074	35,209	27,531	189,810	218,545	48,106	89,873	8,803
Dividends received from domestic corporations.....	194,093	23,410	7,292	64,439	4,285	46,823	47,844	3,054
Dividends received from foreign corporations.....	85,396	*3,846	*9,544	54,448	*2	14,570	2,985	2
Other receipts.....	3,567,375	406,796	99,180	1,006,257	256,151	663,721	1,135,271	69,095
Total deductions.....	202,985,210	12,751,026	10,807,260	61,520,637	20,995,417	23,425,744	73,485,127	5,451,904
Cost of sales and operations.....	100,355,222	6,041,899	5,457,463	34,951,155	11,354,746	11,592,479	30,957,481	4,047,398
Compensation of officers.....	22,089,869	291,387	809,853	3,939,028	1,265,521	979,295	14,804,785	239,228
Repairs.....	1,966,441	351,915	168,361	398,178	328,342	325,126	414,518	26,832
Bad debts.....	720,107	47,002	54,983	217,834	69,954	63,906	266,429	12,226
Rent paid on business property.....	7,783,327	692,979	505,515	1,863,321	684,887	964,800	3,071,825	83,686
Taxes paid.....	7,353,972	765,589	477,812	2,000,033	702,568	868,930	2,539,041	97,465
Interest paid.....	4,752,293	783,968	172,672	1,331,893	807,805	677,470	978,485	52,457
Contributions or gifts.....	84,810	6,899	6,716	22,864	6,987	13,956	27,388	1,847
Amortization.....	227,793	7,473	5,069	78,814	4,063	104,848	27,527	376
Depreciation.....	10,354,225	798,813	479,057	2,755,855	2,623,167	2,022,703	1,674,629	78,445
Depletion.....	49,778	*2,226	*1,063	18,429	1,393	2,855	23,812	*4,769
Advertising.....	2,697,971	303,727	200,338	869,437	181,094	728,665	414,709	33,621
Pension, profit-sharing, stock bonus, and annuity plans.....	3,940,704	39,716	61,241	603,632	66,390	183,543	2,986,181	50,494
Employee benefit programs.....	1,338,342	68,304	63,259	378,380	115,637	122,171	589,592	17,142
Net loss, noncapital assets.....	206,542	16,990	3,848	48,229	13,276	19,096	105,101	2,112
Other deductions.....	39,043,815	2,532,139	2,340,010	12,042,555	2,769,585	4,755,901	14,603,624	703,807
Total receipts less total deductions.....	7,620,863	804,131	516,870	2,482,704	663,829	1,195,435	1,957,894	164,755
Constructive taxable income from related foreign corporations.....	81,979	1,923	1,939	42,496	*568	24,267	10,787	—
Net income (less deficit).....	7,666,125	804,893	514,442	2,505,469	663,390	1,216,936	1,960,995	164,445
Net income.....	10,994,355	1,085,665	620,337	3,467,199	932,875	1,714,994	3,173,286	215,065
Deficit.....	3,328,230	280,772	105,894	961,730	269,485	498,058	1,212,291	50,621
Income subject to tax.....	8,589,087	787,243	491,827	2,869,105	723,045	1,306,434	2,411,433	165,545
Income tax, total.....	3,190,125	335,556	177,660	1,111,190	240,837	568,333	756,549	61,168
Normal tax, surtax, and alternative tax.....	3,151,307	331,719	176,296	1,097,914	233,387	563,742	748,249	60,993
Tax from recomputing prior-year investment credit.....	34,512	2,875	1,347	11,812	7,374	3,563	7,541	175
Tax from recomputing prior-year work incentive (WIN) credit.....	—	—	—	—	—	—	—	—
Additional tax for tax preferences.....	4,306	962	*16	1,464	*76	1,029	758	—
Foreign tax credit.....	140,459	*6,100	*6,658	60,653	*54	48,138	18,856	( <sup>1</sup> )
U.S. possessions tax credit.....	3,799	160	2,145	50	50	110	1,334	1,484
Investment credit.....	500,305	36,165	22,528	165,053	55,571	110,525	110,463	5,882
Work incentive (WIN) credit.....	1,087	91	162	372	*70	8	384	*14
Jobs credit.....	386,149	20,077	18,651	144,737	38,873	29,979	133,832	6,063
Distributions to stockholders:								
Cash and property except in own stock.....	1,490,937	131,431	105,852	402,540	91,292	295,298	464,525	16,848
Corporation's own stock.....	102,647	*8,371	*3,642	11,670	*19,160	*52,126	7,676	959

\*Estimate should be used with caution because of the small number of sample returns on which it is based

<sup>1</sup>Less than \$500 per return.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS WITH NET INCOME

Table 1.3 — Balance Sheets and Income Statements, by Major Industry

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	All industries	Agriculture, forestry, and fishing	Major industry				
			Mining				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns with net income</b> .....	<b>1,523,648</b>	<b>44,807</b>	<b>11,148</b>	<b>128</b>	<b>1,369</b>	<b>7,617</b>	<b>2,034</b>
<b>Total assets</b> .....	<b>5,443,711,445</b>	<b>23,188,276</b>	<b>73,302,199</b>	<b>9,040,786</b>	<b>5,909,140</b>	<b>53,891,930</b>	<b>4,460,344</b>
Cash.....	381,190,742	1,565,429	2,367,561	107,306	406,398	1,464,822	389,035
Notes and accounts receivable.....	1,457,430,476	2,329,292	17,181,524	782,578	882,809	14,621,230	894,907
Less Allowance for bad debts.....	35,111,362	21,104	53,656	2,765	2,007	30,640	18,244
Inventories.....	383,327,219	2,855,204	3,282,120	653,771	225,268	2,014,127	388,954
Investments in Government obligations:							
United States.....	201,048,749	147,285	258,466	19,024	77,033	134,190	28,218
State and local.....	170,974,687	37,244	69,739	5,532	25,510	36,573	*2,123
Other current assets.....	173,635,087	640,110	4,308,697	2,118,936	378,359	1,660,525	150,878
Loans to stockholders.....	15,000,144	335,031	1,145,384	49,829	15,851	1,062,740	16,964
Mortgage and real estate loans.....	721,832,747	302,876	249,245	14,270	*7,243	210,583	17,149
Other investments.....	803,352,612	1,972,329	14,296,743	2,134,314	746,441	11,158,734	257,253
Depreciable assets.....	1,486,297,479	12,709,920	35,865,321	3,654,101	4,011,136	24,267,918	3,932,167
Less Accumulated depreciation.....	553,321,264	5,828,097	13,360,678	1,307,115	1,638,718	8,256,835	2,158,010
Depletable assets.....	36,438,267	141,934	5,230,020	310,605	242,060	4,431,041	246,315
Less: Accumulated depletion.....	12,565,920	17,965	1,646,182	103,452	52,188	1,420,172	70,370
Land.....	59,568,588	4,879,130	862,279	80,676	143,531	380,323	257,749
Intangible assets (amortizable).....	30,651,575	50,039	1,929,115	*24,983	19,299	1,875,310	9,523
Less Accumulated amortization.....	13,162,235	13,119	749,063	*19,773	4,264	722,328	2,699
Other assets.....	137,123,854	1,102,739	2,065,565	517,965	425,378	1,003,790	118,432
<b>Total liabilities</b> .....	<b>5,443,711,445</b>	<b>23,188,276</b>	<b>73,302,199</b>	<b>9,040,786</b>	<b>5,909,140</b>	<b>53,891,930</b>	<b>4,460,344</b>
Accounts payable.....	345,604,072	1,228,591	5,876,732	374,623	362,266	4,737,514	402,328
Mortgages, notes, and bonds payable in less than one year.....	307,277,072	3,705,639	2,032,263	159,147	407,627	1,201,448	264,040
Other current liabilities.....	2,178,591,997	1,323,056	12,744,262	590,628	594,443	11,192,614	366,577
Loans from stockholders.....	38,726,308	887,047	619,949	*192,007	41,269	206,637	180,037
Mortgages, notes, and bonds payable in one year or more.....	645,628,873	5,580,271	12,040,118	1,768,787	1,297,438	8,288,001	685,892
Other liabilities.....	530,791,697	1,000,470	2,993,844	576,048	455,906	1,828,442	133,448
Capital stock.....	263,586,943	3,613,104	2,230,923	466,938	171,470	1,270,436	322,079
Paid-in or capital surplus.....	323,885,374	1,583,672	10,893,079	987,984	190,298	9,544,623	170,174
Retained earnings, appropriated.....	37,011,448	196,137	3,863,726	56,023	34,931	3,730,241	42,530
Retained earnings, unappropriated.....	800,621,511	4,378,879	20,425,345	3,890,925	2,433,307	12,106,408	1,994,706
Less Cost of treasury stock.....	28,013,848	308,590	418,042	22,323	79,816	214,435	101,468
<b>Total receipts</b> .....	<b>4,204,361,186</b>	<b>32,817,972</b>	<b>81,987,756</b>	<b>4,045,938</b>	<b>6,061,823</b>	<b>66,220,194</b>	<b>5,659,801</b>
Business receipts.....	3,877,465,999	31,100,251	78,542,266	3,449,594	5,788,854	63,863,454	5,440,364
Interest on Government obligations:							
United States.....	14,867,053	19,363	27,818	6,643	7,003	12,469	1,702
State and local.....	8,452,454	2,036	5,068	114	1,509	2,699	746
Other interest.....	180,285,875	188,512	431,940	63,592	41,666	295,029	31,653
Rents.....	25,065,400	133,642	138,953	4,682	38,408	64,531	31,332
Royalties.....	7,492,190	45,086	187,019	10,101	3,874	168,627	4,416
Net short-term capital gain reduced by net long-term capital loss.....	772,562	13,135	15,172	*1,548	*300	11,558	*1,166
Net long-term capital gain reduced by net short-term capital loss.....	13,727,326	388,648	818,758	331,182	67,833	377,782	41,962
Net gain, noncapital assets.....	10,482,165	116,439	274,381	80,742	9,564	159,068	25,008
Dividends received from domestic corporations.....	12,565,982	36,101	222,571	20,194	24,847	172,933	4,597
Dividends received from foreign corporations.....	9,030,850	*7,649	65,588	*30,303	143	34,596	547
Other receipts.....	44,153,330	766,991	1,258,222	47,244	77,222	1,057,449	76,306
<b>Total deductions</b> .....	<b>3,929,872,134</b>	<b>30,620,268</b>	<b>52,562,660</b>	<b>3,682,432</b>	<b>5,639,948</b>	<b>38,054,666</b>	<b>5,185,615</b>
Cost of sales and operations.....	2,753,355,437	22,592,017	36,245,026	2,520,993	3,796,836	26,557,234	3,369,964
Compensation of officers.....	71,210,182	804,683	625,376	27,800	90,289	383,034	124,253
Repairs.....	28,878,469	561,259	548,992	19,521	120,993	197,226	211,252
Bad debts.....	13,093,325	34,418	41,715	*896	4,944	24,759	11,117
Rent paid on business property.....	46,764,790	596,297	328,188	18,097	42,693	220,855	46,542
Taxes paid.....	102,251,482	674,170	1,207,719	171,201	271,946	590,619	173,954
Interest paid.....	166,858,327	752,693	1,119,043	149,367	138,197	730,549	100,930
Contributions or gifts.....	2,073,505	11,574	30,813	*2,553	3,137	20,369	4,754
Amortization.....	909,748	5,383	15,538	1,885	1,981	11,213	459
Depreciation.....	106,588,187	1,135,652	2,415,014	219,049	399,079	1,476,366	320,521
Depletion.....	5,567,419	12,629	721,911	104,529	218,382	242,058	156,941
Advertising.....	35,999,946	102,530	61,907	4,430	2,194	33,648	21,635
Pension, profit-sharing, stock bonus, and annuity plans.....	38,429,488	126,194	314,225	55,684	33,463	179,358	45,719
Employee benefit programs.....	23,989,224	76,824	210,990	12,440	94,265	69,400	34,885
Net loss, noncapital assets.....	1,137,126	7,217	27,093	646	899	22,888	2,660
Other deductions.....	532,765,478	3,126,729	8,649,110	373,343	420,650	7,295,089	560,028
<b>Total receipts less total deductions</b> .....	<b>274,489,052</b>	<b>2,197,704</b>	<b>29,425,095</b>	<b>363,507</b>	<b>421,874</b>	<b>28,165,528</b>	<b>474,186</b>
Constructive taxable income from related foreign corporations.....	8,483,123	6,570	162,838	118,814	708	43,032	283
<b>Net income</b> .....	<b>274,519,721</b>	<b>2,202,179</b>	<b>29,582,865</b>	<b>482,207</b>	<b>421,073</b>	<b>28,205,862</b>	<b>473,723</b>
Income subject to tax.....	239,627,020	1,386,949	29,041,850	420,317	340,596	27,872,942	407,995
Income tax, total.....	107,803,897	483,990	13,822,848	169,146	165,030	13,298,695	189,977
Normal tax, surtax, and alternative tax.....	106,974,698	475,815	13,741,509	144,759	145,386	13,273,565	177,799
Tax from recomputing prior-year investment credit.....	525,381	7,584	15,904	3,711	2,356	7,402	2,436
Tax from recomputing prior-year work incentive (WIN) credit.....	79	*2	23	—	—	—	23
Additional tax for tax preferences.....	303,739	589	65,412	*20,675	17,288	17,729	9,720
Foreign tax credit.....	26,357,626	*13,210	12,512,804	*63,516	1,662	12,445,728	1,899
U.S. possessions tax credit.....	1,134,422	294	—	—	—	—	—
Investment credit.....	12,897,130	100,232	234,247	36,169	32,422	123,772	41,885
Work incentive (WIN) credit.....	18,469	17	*94	22	*39	3	*29
Jobs credit.....	3,093,915	31,117	44,138	*702	6,880	27,308	9,248
Distributions to stockholders:							
Cash and property except in own stock.....	67,051,545	239,905	1,906,968	113,158	115,893	1,600,091	77,825
Corporation's own stock.....	2,147,986	*13,506	50,145	2,071	*5,737	*35,714	*6,623

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS WITH NET INCOME

Table 1.3 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued								
	Construction				Manufacturing				
	Total	General building contractors and operative builders	Heavy construction contractors	Special trade contractors	Total	Food and kindred products	Tobacco manufactures	Textile mill products	Apparel and other textile products
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Number of returns with net income .....	148,712	57,911	11,250	79,551	159,631	9,549	**	3,833	11,532
<b>Total assets.....</b>	<b>60,587,861</b>	<b>39,862,912</b>	<b>17,527,948</b>	<b>23,197,001</b>	<b>1,188,095,846</b>	<b>94,979,041</b>	<b>**</b>	<b>18,855,197</b>	<b>16,220,857</b>
Cash.....	8,072,314	3,513,472	1,809,679	2,749,163	38,926,069	3,594,479	**	818,595	1,046,153
Notes and accounts receivable .....	22,931,293	8,852,491	5,259,828	8,818,974	288,329,796	18,724,868	**	4,984,940	4,650,750
Less: Allowance for bad debts .....	172,503	38,077	26,818	107,609	5,253,772	389,923	**	88,298	88,507
Inventories.....	14,351,485	9,962,110	1,096,772	3,292,604	197,990,410	18,899,318	**	5,160,586	5,792,392
Investments in Government obligations .....							**		
United States .....	353,691	181,712	105,607	66,372	11,416,461	633,110	**	147,338	62,904
State and local .....	247,105	147,924	59,477	39,704	2,460,175	229,222	**	*14,483	82,136
Other current assets .....	7,980,525	4,871,792	1,339,000	1,769,732	53,781,204	4,074,630	**	558,651	629,406
Loans to stockholders .....	1,853,179	1,412,413	80,098	360,668	3,172,937	532,285	**	29,684	142,137
Mortgage and real estate loans .....	666,995	747,682	61,376	59,937	3,245,049	617,004	**	20,965	22,529
Other investments .....	4,633,211	2,280,289	1,479,934	872,987	195,477,402	16,146,733	**	1,206,344	1,355,616
Depreciable assets .....	28,372,335	7,934,246	11,931,543	8,506,546	595,867,370	46,625,247	**	12,794,630	3,956,570
Less: Accumulated depreciation .....	14,201,172	3,287,617	6,608,534	4,305,020	275,393,655	20,114,121	**	7,159,342	1,932,955
Depletable assets .....	132,779	35,961	69,969	26,849	26,553,155	347,487	**	*5,426	*4,765
Less: Accumulated depletion .....	35,104	6,575	17,044	11,485	9,416,441	91,067	**	*2,884	*1,964
Land .....	2,961,127	2,020,566	459,099	481,462	14,929,512	1,607,643	**	119,952	112,972
Intangible assets (amortizable) .....	219,534	124,934	45,358	49,242	19,609,267	694,729	**	21,422	56,565
Less: Accumulated amortization .....	50,777	23,050	9,860	17,866	9,214,829	155,376	**	10,304	28,214
Other assets.....	2,069,844	1,132,639	392,464	544,741	35,615,734	3,002,776	**	239,009	357,603
<b>Total liabilities.....</b>	<b>80,587,861</b>	<b>39,862,912</b>	<b>17,527,948</b>	<b>23,197,001</b>	<b>1,188,095,846</b>	<b>94,979,041</b>	<b>**</b>	<b>18,855,197</b>	<b>16,220,857</b>
Accounts payable .....	16,178,893	7,779,265	3,358,526	5,041,102	147,564,766	11,866,063	**	2,522,909	2,808,984
Mortgages, notes, and bonds payable in less than one year .....	10,966,362	7,313,520	1,525,898	2,126,945	79,989,872	6,481,742	**	1,914,235	1,748,867
Other current liabilities .....	10,904,303	5,256,368	2,327,472	3,320,465	123,461,755	9,907,934	**	1,670,970	1,550,164
Loans from stockholders .....	2,934,201	1,994,270	247,668	692,264	10,686,866	1,156,369	**	90,458	204,110
Mortgages, notes, and bonds payable in one year or more .....	10,110,899	5,504,054	2,388,211	2,218,634	205,068,911	15,779,462	**	2,914,121	1,770,062
Other liabilities .....	5,788,451	3,216,064	1,185,543	1,386,843	80,664,690	3,340,530	**	265,199	258,931
Capital stock .....	3,894,668	1,295,625	1,128,496	1,470,547	72,002,631	6,244,524	**	1,281,542	1,098,627
Paid-in or capital surplus .....	2,136,577	1,197,062	507,815	431,700	115,467,368	8,140,429	**	1,027,245	930,372
Retained earnings, appropriated .....	216,239	65,889	66,737	83,613	5,842,719	723,828	**	31,713	57,024
Retained earnings, unappropriated .....	18,503,709	6,585,388	5,109,692	6,808,628	376,628,445	32,028,174	**	7,947,029	6,009,606
Less: Cost of treasury stock .....	1,046,442	344,593	318,110	383,739	9,482,179	690,014	**	270,224	215,889
<b>Total receipts.....</b>	<b>176,400,090</b>	<b>75,548,328</b>	<b>38,875,838</b>	<b>61,975,924</b>	<b>1,684,943,154</b>	<b>198,873,604</b>	<b>**</b>	<b>34,937,595</b>	<b>35,292,625</b>
Business receipts.....	172,286,939	73,486,869	37,568,081	61,231,989	1,626,535,856	195,015,581	**	34,392,976	34,736,171
Interest on Government obligations .....							**		
United States .....	34,223	16,526	10,733	6,964	881,259	46,569	**	14,830	4,180
State and local .....	14,010	8,233	2,559	3,217	316,125	14,964	**	639	2,903
Other interest .....	696,844	365,581	210,181	121,062	12,449,915	826,756	**	84,382	103,682
Rents .....	624,120	400,851	136,207	87,063	5,957,803	346,863	**	32,223	26,821
Royalties .....	29,049	6,513	17,327	5,210	5,724,931	341,783	**	28,612	65,689
Net short-term capital gain reduced by net long-term capital loss .....	26,778	15,412	1,331	10,035	152,152	25,913	**	904	1,005
Net long-term capital gain reduced by net short-term capital loss .....	319,026	166,391	86,003	66,631	5,980,906	214,592	**	34,105	16,985
Net gain, noncapital assets .....	361,815	149,227	135,758	76,831	1,377,266	150,530	**	43,841	17,962
Dividends received from domestic corporations .....	67,746	18,491	33,561	15,694	4,943,091	220,060	**	43,840	49,825
Dividends received from foreign corporations .....	76,723	23,156	50,428	3,138	7,946,372	433,987	**	12,692	52,296
Other receipts .....	1,862,818	891,077	623,671	348,070	12,677,479	1,236,007	**	248,552	215,108
<b>Total deductions.....</b>	<b>168,396,908</b>	<b>72,502,710</b>	<b>36,916,846</b>	<b>58,977,352</b>	<b>1,571,695,051</b>	<b>190,399,923</b>	<b>**</b>	<b>32,976,129</b>	<b>33,338,472</b>
Cost of sales and operations .....	137,838,275	62,553,629	30,029,374	45,255,272	1,174,675,151	148,181,864	**	26,540,838	25,523,267
Compensation of officers .....	5,916,037	2,053,548	787,749	3,074,740	14,130,387	1,089,708	**	393,725	804,390
Repairs .....	921,331	194,773	392,980	333,578	19,140,223	1,575,976	**	269,011	83,404
Bad debts .....	245,495	54,495	43,755	147,244	2,703,795	245,926	**	54,876	63,399
Rent paid on business property .....	974,590	236,794	286,726	451,069	12,802,326	1,368,218	**	209,006	350,005
Taxes paid .....	3,667,206	1,091,175	760,518	1,815,514	44,692,249	4,893,824	**	866,689	920,799
Interest paid .....	1,794,836	926,820	449,261	418,755	26,798,954	2,109,865	**	447,678	420,865
Contributions or gifts .....	65,891	28,191	16,399	21,302	1,085,688	84,145	**	24,367	26,400
Amortization .....	10,366	4,249	2,685	3,432	365,770	24,791	**	2,832	3,426
Depreciation .....	2,840,051	743,937	1,194,707	1,001,406	44,708,543	3,667,953	**	918,854	324,490
Depletion .....	40,232	11,929	24,316	3,987	4,236,915	27,197	**	1,382	*9
Advertising .....	398,711	182,799	39,789	176,123	18,172,735	4,897,228	**	236,628	289,908
Pension, profit-sharing, stock bonus, and annuity plans .....	906,683	258,805	237,970	409,909	19,812,607	1,256,891	**	244,500	210,659
Employee benefit programs .....	695,858	165,823	136,683	393,351	14,388,169	985,876	**	156,442	185,156
Net loss, noncapital assets .....	29,304	19,601	1,547	8,156	261,959	26,720	**	5,785	6,354
Other deductions .....	11,952,043	3,976,142	2,512,388	5,463,514	173,719,580	19,963,742	**	2,603,517	4,125,397
<b>Total receipts less total deductions.....</b>	<b>8,003,182</b>	<b>3,045,618</b>	<b>1,958,992</b>	<b>2,998,572</b>	<b>113,248,103</b>	<b>8,473,681</b>	<b>**</b>	<b>1,961,466</b>	<b>1,954,154</b>
Constructive taxable income from related foreign corporations .....	67,807	29,299	36,183	2,325	7,212,910	413,449	**	6,795	51,446
Net income .....	8,056,979	3,066,684	1,992,615	2,997,680	120,144,888	8,872,167	**	1,967,621	2,002,697
Income subject to tax .....	6,420,188	2,373,978	1,717,257	2,328,952	114,374,088	8,501,559	**	1,815,030	1,761,768
Income tax, total .....	2,419,701	891,891	741,772	786,038	53,061,072	3,984,241	**	842,433	779,084
Normal tax, surtax, and alternative tax .....	2,398,869	884,917	732,860	781,093	52,753,150	3,954,478	**	837,857	775,726
Tax from recomputing prior-year investment credit .....	18,526	5,971	7,819	4,736	217,418	26,766	**	4,321	3,326
Tax from recomputing prior-year work incentive (WIN) credit .....	( <sup>1</sup> )	—	( <sup>1</sup> )	—	34	( <sup>1</sup> )	**	( <sup>1</sup> )	—
Additional tax for tax preferences .....	2,305	1,002	1,094	210	90,469	2,976	**	*254	*32
Foreign tax credit .....	116,160	47,271	64,748	4,141	11,654,365	539,536	**	10,102	58,148
U.S. possessions tax credit .....	1,882	1,162	562	158	1,075,601	83,413	**	3,928	30,537
Investment credit .....	331,104	78,636	148,968	103,501	5,175,795	402,623	**	110,105	33,369
Work incentive (WIN) credit .....	279	30	*68	181	12,044	338	**	361	581
Jobs credit .....	481,331	155,499	81,931	243,902	956,211	57,847	**	30,027	70,236
Distributions to stockholders .....							**		
Cash and property except in own stock .....	563,453	214,004	182,256	167,193	30,047,485	2,265,349	**	249,903	270,661
Corporation's own stock .....	42,154	9,301	22,262	*10,590	701,175	99,952	**	*6,295	5,209

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS WITH NET INCOME

Table 1.3 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued								
	Manufacturing — Continued								
	Lumber and wood products	Furniture and fixtures	Paper and allied products	Printing and publishing	Chemicals and allied products	Petroleum (including integrated) and coal products	Rubber and miscellaneous plastics products	Leather and leather products	Stone, clay, and glass products
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
Number of returns with net income.....	10,549	4,911	2,630	23,876	6,225	932	7,417	2,018	6,053
<b>Total assets.....</b>	<b>32,489,203</b>	<b>7,159,078</b>	<b>35,820,495</b>	<b>35,355,750</b>	<b>106,291,975</b>	<b>240,228,282</b>	<b>22,503,895</b>	<b>4,948,990</b>	<b>28,252,785</b>
Cash.....	1,461,267	430,921	829,642	2,066,850	2,794,774	4,684,248	943,371	379,666	1,287,697
Notes and accounts receivable.....	4,841,349	1,917,546	5,442,416	8,151,710	20,744,446	46,598,348	5,873,888	1,232,791	5,989,264
Less Allowance for bad debts.....	86,288	41,243	119,093	534,978	439,576	587,465	91,886	24,165	133,436
Inventories.....	5,192,279	2,179,687	5,069,113	3,884,270	17,169,696	15,910,428	4,674,844	1,583,463	4,180,896
Investments in Government obligations.....									
United States.....	92,248	15,969	463,043	403,034	399,239	1,982,431	83,481	30,850	388,540
State and local.....	19,638	*20,866	54,071	317,086	286,458	*127,588	*70,038	*17,211	17,522
Other current assets.....	1,225,989	217,379	1,435,003	2,374,328	4,242,508	7,273,844	484,261	192,600	1,029,511
Loans to stockholders.....	79,793	11,924	83,688	227,607	240,648	104,008	83,116	15,903	34,718
Mortgage and real estate loans.....	992,795	9,693	16,229	105,247	48,403	136,481	51,902	*1,023	17,856
Other investments.....	3,267,135	472,201	4,245,575	4,663,875	19,967,155	64,221,484	2,759,009	597,041	3,096,137
Depreciable assets.....	19,701,663	3,165,209	26,945,803	17,007,457	66,983,947	125,521,409	13,347,595	1,350,769	21,012,787
Less Accumulated depreciation.....	8,213,356	1,491,592	12,387,988	8,007,945	31,899,831	50,571,263	6,460,526	640,894	9,978,891
Depletable assets.....	2,478,824	*4,680	2,580,048	210,712	1,001,331	17,786,754	*4,943	2	319,240
Less Accumulated depletion.....	121,995	*1731	538,912	*14,474	284,999	7,804,981	*1,041	—	65,720
Land.....	464,697	106,822	921,698	676,332	1,147,131	4,997,040	218,554	40,966	557,369
Intangible assets (amortizable).....	52,780	20,174	133,459	1,197,404	1,291,907	13,489,972	41,691	48,141	63,311
Less Accumulated amortization.....	12,345	6,386	30,918	183,647	262,308	7,757,723	10,747	11,430	17,649
Other assets.....	1,052,729	126,961	677,617	2,810,881	2,861,047	5,015,678	431,400	135,053	453,631
<b>Total liabilities.....</b>	<b>32,489,203</b>	<b>7,159,078</b>	<b>35,820,495</b>	<b>35,355,750</b>	<b>106,291,975</b>	<b>240,228,282</b>	<b>22,503,895</b>	<b>4,948,990</b>	<b>28,252,785</b>
Accounts payable.....	2,804,084	887,973	3,724,347	3,331,392	10,279,867	36,142,426	2,946,324	755,266	3,260,456
Mortgages, notes, and bonds payable in less than one year.....	2,357,796	491,557	1,089,429	2,003,846	4,749,957	5,626,140	1,068,358	438,862	1,240,097
Other current liabilities.....	3,449,493	741,624	3,621,691	4,559,644	11,975,680	14,386,347	2,664,271	414,473	3,019,639
Loans from stockholders.....	324,576	91,618	104,551	424,495	516,449	729,507	270,503	52,533	200,074
Mortgages, notes, and bonds payable in one year or more.....	6,513,210	964,090	7,780,981	4,795,011	21,028,208	37,889,661	4,540,027	630,635	5,501,980
Other liabilities.....	1,138,958	131,035	816,868	1,954,084	2,638,719	24,036,452	453,376	84,201	688,015
Capital stock.....	2,035,201	624,081	2,808,635	2,188,106	6,843,114	13,823,323	977,611	457,204	1,911,057
Paid-in or capital surplus.....	3,621,769	350,092	3,269,439	2,274,015	11,230,637	32,101,237	1,876,513	367,033	2,050,855
Retained earnings, appropriated.....	100,266	28,842	69,370	174,015	628,809	468,159	610,119	*17,438	201,219
Retained earnings, unappropriated.....	10,631,458	2,958,470	12,816,985	14,292,107	37,324,663	76,020,675	7,335,111	1,792,573	10,471,441
Less: Cost of treasury stock.....	487,608	110,304	281,802	640,963	1,124,129	995,645	238,319	61,238	292,048
<b>Total receipts.....</b>	<b>47,698,705</b>	<b>15,142,829</b>	<b>48,294,816</b>	<b>52,328,000</b>	<b>125,792,267</b>	<b>346,193,899</b>	<b>34,640,933</b>	<b>9,681,135</b>	<b>39,275,904</b>
Business receipts.....	45,103,312	14,887,502	46,387,731	50,613,782	120,878,029	335,408,356	33,684,279	9,528,039	38,051,231
Interest on Government obligations.....									
United States.....	9,187	3,322	22,442	31,575	43,318	131,235	16,714	1,673	9,835
State and local.....	1,456	2,368	4,934	9,793	12,522	21,768	563	1,026	1,287
Other interest.....	314,219	30,441	248,840	317,660	835,446	2,419,444	136,031	41,209	175,345
Rents.....	69,321	27,796	65,825	168,834	110,875	1,026,833	58,694	8,453	73,479
Royalties.....	18,698	5,111	177,338	111,744	746,000	1,022,860	57,399	4,489	102,476
Net short-term capital gain reduced by net long-term capital loss.....	4,829	667	2,222	3,983	6,458	22,072	3,149	*215	1,739
Net long-term capital gain reduced by net short-term capital loss.....	1,705,084	8,810	787,943	212,177	411,334	918,010	62,724	1,848	150,418
Net gain, noncapital assets.....	57,604	15,185	47,450	49,817	115,025	130,196	31,967	1,884	63,166
Dividends received from domestic corporations.....	44,426	9,545	106,559	113,666	531,861	1,023,858	45,912	46,254	81,223
Dividends received from foreign corporations.....	16,033	11,287	223,317	74,779	867,481	1,694,457	159,223	1,021	110,234
Other receipts.....	354,535	140,795	220,215	620,189	1,233,918	2,374,810	384,678	45,022	455,472
<b>Total deductions.....</b>	<b>44,233,385</b>	<b>14,159,167</b>	<b>44,957,779</b>	<b>47,140,486</b>	<b>114,482,675</b>	<b>328,361,761</b>	<b>32,854,981</b>	<b>9,052,855</b>	<b>36,170,575</b>
Cost of sales and operations.....	33,544,738	10,580,515	32,369,787	30,729,668	75,889,801	273,515,604	23,348,130	6,865,424	25,586,220
Compensation of officers.....	635,228	332,905	353,724	1,419,735	804,576	291,761	509,432	151,113	514,845
Repairs.....	497,366	57,680	1,167,990	291,904	1,962,272	3,044,904	433,560	57,280	955,357
Bad debts.....	78,744	34,645	66,776	282,881	177,267	202,531	75,359	12,342	85,291
Rent paid on business property.....	340,071	150,786	342,737	646,936	1,079,957	2,312,370	420,928	190,434	340,679
Taxes paid.....	1,131,816	403,402	1,217,369	1,617,797	2,500,372	9,018,692	967,889	238,080	1,085,950
Interest paid.....	764,067	157,800	730,454	603,459	2,069,224	4,150,546	521,006	111,272	562,092
Contributions or gifts.....	34,900	8,717	48,868	74,189	117,801	89,559	14,319	8,687	29,737
Amortization.....	9,159	912	7,858	34,598	25,831	61,886	3,028	827	4,121
Depreciation.....	1,533,783	232,600	1,928,900	1,366,570	4,824,854	7,095,740	883,258	113,334	1,483,991
Depletion.....	1,657,676	*839	371,168	*52,335	220,585	945,682	1,319	395	143,364
Advertising.....	154,111	150,712	383,760	461,552	3,668,807	923,699	357,677	118,442	196,123
Pension, profit-sharing, stock bonus, and annuity plans.....	335,533	109,797	586,120	659,506	1,944,537	1,659,565	429,087	55,428	520,025
Employee benefit programs.....	187,141	80,167	394,029	452,558	1,042,382	789,635	353,839	45,541	434,349
Net loss, noncapital assets.....	8,405	4,631	2,063	8,468	31,755	83,732	2,677	1,048	6,153
Other deductions.....	3,320,648	1,853,056	4,986,176	8,438,330	18,122,653	24,175,855	4,533,473	1,083,209	4,222,278
<b>Total receipts less total deductions.....</b>	<b>3,465,320</b>	<b>983,662</b>	<b>3,337,037</b>	<b>5,187,514</b>	<b>11,309,592</b>	<b>17,832,137</b>	<b>1,785,952</b>	<b>628,281</b>	<b>3,105,329</b>
Constructive taxable income from related foreign corporations.....	40,503	2,335	154,192	56,782	1,074,589	1,693,820	109,825	604	99,481
Net income.....	3,504,366	983,629	3,486,295	5,234,502	12,371,659	19,504,189	1,895,214	627,858	3,203,523
Income subject to tax.....	3,177,996	909,670	3,446,518	4,920,253	12,147,580	18,063,127	1,796,891	562,088	3,032,730
Income tax, total.....	1,191,213	407,745	1,504,269	2,228,244	5,738,903	8,529,980	807,566	258,771	1,392,809
Normal tax, surtax, and alternative tax.....	1,168,522	405,442	1,490,123	2,219,634	5,699,507	8,500,148	803,191	258,364	1,384,135
Tax from recomputing prior-year investment credit.....	6,573	1,362	6,602	8,368	22,036	22,917	3,909	407	5,733
Tax from recomputing prior-year work incentive (WIN) credit.....	*11	—	—	—	*10	—	5	—	*3
Additional tax for tax preferences.....	16,107	*941	7,544	*243	17,349	6,914	*461	—	2,938
Foreign tax credit.....	20,702	3,134	188,575	88,113	1,156,059	4,665,179	112,400	2,493	114,947
U.S. possessions tax credit.....	—	128	849	1,259	583,579	11,686	6,066	3,843	7,139
Investment credit.....	211,963	23,523	230,549	158,576	516,011	893,840	87,074	11,227	215,075
Work incentive (WIN) credit.....	473	156	266	106	315	67	362	267	178
Jobs credit.....	50,093	33,315	23,630	55,433	33,382	5,545	42,008	8,109	37,784
Distributions to stockholders.....									
Cash and property except in own stock.....	593,018	101,183	922,771	911,602	4,334,768	6,880,639	301,042	112,060	523,786
Corporation's own stock.....	18,917	*7,644	19,964	38,090	67,740	61,576	15,365	10,696	*25,206

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS WITH NET INCOME

Table 1.3 — Balance Sheets and Income Statements, by Major Industry — Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Major industry — Continued							
	Manufacturing — Continued							
	Primary metal industries	Fabricated metal products	Machinery, except electrical	Electrical and electronic equipment	Motor vehicles and equipment	Transportation equipment, except motor vehicles	Instruments and related products	Miscellaneous manufacturing and manufacturing not allocable
	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
Number of returns with net income.....	3,306	22,943	18,971	9,183	1,487	1,834	4,361	**
<b>Total assets.....</b>	<b>81,341,654</b>	<b>53,756,871</b>	<b>114,399,319</b>	<b>104,349,965</b>	<b>104,521,642</b>	<b>29,930,003</b>	<b>21,135,959</b>	<b>**</b>
Cash.....	1,725,549	2,631,485	4,186,590	4,655,411	2,081,633	1,360,275	512,778	**
Notes and accounts receivable.....	16,624,204	12,707,760	32,238,693	28,291,633	51,356,021	5,560,868	5,623,581	**
Less: Allowance for bad debts.....	243,451	222,449	604,947	702,422	531,800	120,696	76,644	**
Inventories.....	12,872,836	13,188,828	25,534,061	19,730,907	15,518,751	7,214,878	5,335,328	**
Investments in Government obligations:								**
United States.....	366,064	303,632	1,551,768	835,359	2,816,912	196,804	596,664	**
State and local.....	206,112	148,194	215,650	96,149	405,946	*14,042	*106,938	**
Other current assets.....	3,022,642	1,938,823	8,180,761	8,797,632	2,328,200	3,697,513	977,687	**
Loans to stockholders.....	54,832	159,199	225,675	495,765	162,385	16,005	42,881	**
Mortgage and real estate loans.....	79,157	77,689	138,499	129,398	148,394	575,855	*28,098	**
Other investments.....	13,341,052	6,964,240	14,559,505	16,346,024	8,936,112	4,026,195	1,796,928	**
Depreciable assets.....	51,118,377	25,510,750	49,611,300	37,806,415	40,417,679	12,012,115	10,307,708	**
Less: Accumulated depreciation.....	24,627,355	12,285,481	24,327,808	17,678,549	23,017,597	6,252,505	4,853,702	**
Depletable assets.....	692,509	182,985	53,694	585,897	*45,680	*29,493	*8,425	**
Less: Accumulated depletion.....	258,941	24,490	18,591	177,005	*7,270	*22	*355	**
Land.....	886,713	769,900	861,069	759,529	519,892	390,209	282,599	**
Intangible assets (amortizable).....	409,758	337,683	571,190	459,903	91,164	85,817	124,350	**
Less: Accumulated amortization.....	165,243	91,192	203,124	133,548	22,054	21,555	40,673	**
Other assets.....	5,236,836	1,459,317	1,625,336	4,051,467	3,271,594	1,144,712	363,366	**
<b>Total liabilities.....</b>	<b>81,341,654</b>	<b>53,756,871</b>	<b>114,399,319</b>	<b>104,349,965</b>	<b>104,521,642</b>	<b>29,930,003</b>	<b>21,135,959</b>	<b>**</b>
Accounts payable.....	9,004,301	6,776,869	12,540,424	15,907,445	11,305,964	4,701,919	2,219,732	**
Mortgages, notes, and bonds payable in less than one year.....	6,731,292	3,158,592	7,240,161	7,344,331	21,952,592	1,499,269	851,527	**
Other current liabilities.....	7,683,687	6,469,064	14,939,481	14,212,850	10,037,434	5,518,143	3,002,910	**
Loans from stockholders.....	246,191	559,321	3,734,692	743,337	473,391	101,896	156,056	**
Mortgages, notes, and bonds payable in one year or more.....	16,903,107	8,298,224	18,387,827	15,554,491	22,371,990	4,399,801	2,270,047	**
Other liabilities.....	5,275,029	2,197,900	3,325,825	8,731,333	2,452,159	1,404,395	271,852	**
Capital stock.....	5,466,880	3,442,235	9,436,118	5,086,428	2,995,327	1,963,149	1,401,390	**
Paid-in or capital surplus.....	8,296,915	4,640,055	10,809,860	10,459,446	4,792,361	2,573,783	2,099,438	**
Retained earnings, appropriated.....	202,488	350,257	884,688	271,237	205,919	115,901	103,980	**
Retained earnings, unappropriated.....	21,925,306	18,721,502	33,796,155	27,327,044	28,107,172	7,824,826	8,877,694	**
Less: Cost of treasury stock.....	393,541	857,150	695,912	1,287,975	172,667	173,079	118,668	**
<b>Total receipts.....</b>	<b>97,770,398</b>	<b>87,629,962</b>	<b>135,589,176</b>	<b>123,663,054</b>	<b>139,221,477</b>	<b>41,650,145</b>	<b>29,498,440</b>	<b>**</b>
Business receipts.....	94,704,596	85,864,399	125,813,943	118,340,576	134,232,615	40,132,366	28,206,531	**
Interest on Government obligations:								**
United States.....	26,703	22,619	174,836	64,007	218,786	7,833	25,175	**
State and local.....	10,335	10,541	32,275	155,665	23,806	2,272	5,344	**
Other interest.....	870,692	324,684	1,715,214	1,314,847	1,815,124	347,595	153,957	**
Rents.....	163,362	117,480	2,411,377	655,875	326,068	186,151	30,410	**
Royalties.....	95,325	99,354	1,926,789	460,351	135,788	77,437	145,629	**
Net short-term capital gain reduced by net long-term capital loss.....	18,853	6,313	11,299	28,730	404	*712	687	**
Net long-term capital gain reduced by net short-term capital loss.....	348,661	166,970	232,520	326,854	118,711	142,219	27,926	**
Net gain, noncapital assets.....	68,932	89,276	172,685	138,600	60,880	31,897	11,441	**
Dividends received from domestic corporations.....	177,167	103,214	631,345	627,602	498,676	240,159	249,150	**
Dividends received from foreign corporations.....	179,896	212,195	1,436,088	718,872	1,192,345	111,399	282,521	**
Other receipts.....	1,105,875	612,917	1,030,805	831,074	598,275	370,105	359,669	**
<b>Total deductions.....</b>	<b>93,339,729</b>	<b>81,462,082</b>	<b>121,994,333</b>	<b>114,335,386</b>	<b>128,445,135</b>	<b>39,482,613</b>	<b>26,244,204</b>	<b>**</b>
Cost of sales and operations.....	71,680,973	60,864,786	83,667,059	78,844,959	96,549,091	28,901,180	16,434,788	**
Compensation of officers.....	505,420	2,056,842	1,715,135	1,058,055	304,447	263,554	369,708	**
Repairs.....	3,508,628	870,084	1,080,349	748,670	1,402,015	432,213	410,809	**
Bad debts.....	119,369	172,014	315,537	296,832	240,232	43,952	47,848	**
Rent paid on business property.....	485,836	704,647	1,240,541	1,057,432	655,628	334,696	265,328	**
Taxes paid.....	2,048,078	2,265,083	3,852,366	3,241,959	3,709,946	1,064,694	764,513	**
Interest paid.....	2,430,537	1,125,716	2,780,681	2,520,744	3,430,496	589,734	295,243	**
Contributions or gifts.....	53,786	66,058	120,127	88,463	96,518	22,101	*52,510	**
Amortization.....	43,508	13,836	86,342	18,905	4,424	6,966	6,853	**
Depreciation.....	3,108,411	1,956,880	4,604,787	3,740,587	4,471,781	806,698	824,083	**
Depletion.....	463,826	38,047	51,569	131,423	4,977	19,460	*1,355	**
Advertising.....	286,619	566,080	939,270	1,456,035	785,556	208,909	666,292	**
Pension, profit-sharing, stock bonus, and annuity plans.....	1,828,705	1,044,891	2,176,895	1,774,316	3,131,833	895,073	522,080	**
Employee benefit programs.....	884,697	738,212	1,544,426	1,321,259	3,506,874	643,954	315,578	**
Net loss, noncapital assets.....	9,056	15,542	24,663	8,821	3,137	3,242	5,816	**
Other deductions.....	5,882,280	8,963,364	17,794,586	18,026,926	10,148,181	5,246,188	5,261,400	**
<b>Total receipts less total deductions.....</b>	<b>4,430,669</b>	<b>6,167,880</b>	<b>13,594,843</b>	<b>9,327,668</b>	<b>10,776,342</b>	<b>2,167,532</b>	<b>3,254,236</b>	<b>**</b>
Constructive taxable income from related foreign corporations.....	154,193	139,038	1,648,253	264,157	850,596	215,844	170,175	**
Net income.....	4,574,527	6,286,376	15,210,821	9,436,160	11,603,132	2,381,104	3,419,066	**
Income subject to tax.....	4,302,508	5,910,798	14,807,151	9,030,342	11,503,678	2,003,082	3,335,353	**
Income tax, total.....	2,004,242	2,645,058	6,967,131	4,222,292	5,502,218	927,915	1,574,840	**
Normal tax, surtax, and alternative tax.....	1,974,619	2,632,697	6,920,220	4,200,400	5,486,010	923,567	1,570,116	**
Tax from recomputing prior-year investment credit.....	7,384	10,390	43,267	15,953	16,113	3,664	4,682	**
Tax from recomputing prior-year work incentive (WIN) credit.....	—	*3	—	—	1	—	—	**
Additional tax for tax preferences.....	22,239	1,968	3,644	*5,938	*93	*684	43	**
Foreign tax credit.....	323,530	197,825	1,914,522	724,615	1,037,232	150,742	255,019	**
U.S. possessions tax credit.....	4,844	20,611	65,113	174,711	2,187	—	42,450	**
Investment credit.....	336,506	223,986	485,390	428,761	539,124	83,056	89,003	**
Work incentive (WIN) credit.....	494	474	724	754	5,591	204	157	**
Jobs credit.....	32,349	160,088	112,753	97,880	23,126	23,635	23,758	**
Distributions to stockholders:								**
Cash and property except in own stock.....	1,110,651	919,831	3,561,909	2,297,269	2,677,581	609,506	716,327	**
Corporation's own stock.....	40,988	69,582	74,311	48,312	*6,127	35,477	*16,950	**

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS WITH NET INCOME

Table 1.3 — Balance Sheets and Income Statements, by Major Industry — Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Major industry — Continued								
	Transportation and public utilities				Wholesale and retail trade				
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Wholesale trade			
						Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns with net income.....	54,343	41,864	5,307	7,172	483,173	183,984	17,738	37,299	128,947
<b>Total assets.....</b>	<b>548,247,349</b>	<b>119,572,074</b>	<b>161,169,230</b>	<b>267,506,045</b>	<b>421,093,373</b>	<b>217,706,647</b>	<b>19,814,107</b>	<b>36,329,490</b>	<b>161,563,050</b>
Cash.....	7,810,178	4,391,404	1,439,922	1,978,851	26,062,265	12,927,757	1,323,940	2,138,949	9,464,669
Notes and accounts receivable.....	42,549,228	16,043,686	10,495,078	16,010,464	115,866,514	77,503,916	6,599,916	12,507,986	58,396,014
Less: Allowance for bad debts.....	611,892	226,695	164,507	220,690	2,088,195	1,171,405	117,549	204,320	849,536
Inventories.....	18,687,770	3,695,451	4,627,345	10,364,975	135,919,117	62,227,684	5,539,877	12,200,344	44,487,463
Investments in Government obligations:									
United States.....	5,214,942	1,846,814	1,822,665	1,545,463	1,134,187	592,608	142,316	44,134	406,157
State and local.....	269,508	239,481	26,387	*3,640	333,332	196,622	*25,135	13,328	158,159
Other current assets.....	17,544,706	5,619,840	3,453,640	8,471,227	13,176,219	6,977,322	752,001	923,900	5,301,422
Loans to stockholders.....	552,899	481,787	45,288	25,814	2,713,521	1,097,594	158,994	141,732	796,868
Mortgage and real estate loans.....	1,464,524	446,698	244,637	773,189	1,190,201	411,747	33,953	51,924	325,869
Other investments.....	43,862,245	15,709,038	13,493,263	14,659,943	34,532,671	22,872,417	1,006,082	2,869,190	18,997,144
Depreciable assets.....	527,670,074	98,493,464	155,856,992	273,319,618	123,632,015	45,432,148	6,317,749	7,067,030	32,047,369
Less: Accumulated depreciation.....	135,297,479	34,441,696	33,547,887	67,307,896	51,069,939	19,469,709	2,825,949	2,897,749	17,416,010
Depletable assets.....	2,896,291	766,542	*5,747	2,124,002	587,242	583,855	*4,153	37,366	412,337
Less: Accumulated depletion.....	918,338	229,897	1,283	687,157	180,611	122,622	*378	20,717	101,527
Land.....	4,813,627	1,339,285	601,067	2,873,276	8,712,590	3,063,599	287,670	390,891	2,385,038
Intangible assets (amortizable).....	3,730,585	2,055,822	1,245,441	429,322	2,188,695	721,406	67,899	102,172	551,335
Less: Accumulated amortization.....	1,274,457	779,913	401,759	92,785	656,025	228,576	21,918	32,876	173,782
Other assets.....	9,282,948	4,120,964	1,927,195	3,234,789	9,039,573	4,220,284	520,217	996,205	2,703,862
<b>Total liabilities.....</b>	<b>548,247,349</b>	<b>119,572,074</b>	<b>161,169,230</b>	<b>267,506,045</b>	<b>421,093,373</b>	<b>217,706,647</b>	<b>19,814,107</b>	<b>36,329,490</b>	<b>161,563,050</b>
Accounts payable.....	25,806,467	9,359,138	5,130,086	11,317,244	86,494,111	51,520,784	5,218,761	6,335,368	39,966,655
Mortgages, notes, and bonds payable in less than one year.....	21,225,163	6,917,151	5,620,556	8,687,455	59,657,297	33,142,272	2,528,242	6,565,028	24,049,002
Other current liabilities.....	57,367,535	15,352,443	19,516,581	22,498,112	36,529,440	16,174,593	1,768,964	2,759,566	11,646,072
Loans from stockholders.....	1,590,191	756,266	428,295	405,630	8,005,465	3,750,341	478,375	637,189	2,634,777
Mortgages, notes, and bonds payable in one year or more.....	185,904,566	33,778,326	50,469,621	101,656,639	57,382,687	23,515,704	2,515,276	3,666,703	17,333,725
Other liabilities.....	29,473,562	6,653,906	8,199,318	14,620,338	8,509,672	3,669,269	659,620	533,508	2,476,141
Capital stock.....	81,901,384	8,103,957	20,045,469	53,751,958	27,444,659	13,829,620	1,137,174	1,967,250	10,725,197
Paid-in or capital surplus.....	50,521,164	9,144,692	20,365,508	21,010,965	17,018,796	7,380,034	691,538	991,478	5,697,018
Retained earnings, appropriated.....	1,818,136	562,480	313,016	942,639	1,746,299	955,685	51,996	52,699	850,989
Retained earnings, unappropriated.....	93,803,374	29,604,856	31,481,345	32,717,173	122,128,571	66,097,409	4,964,957	13,223,039	47,903,414
Less: Cost of treasury stock.....	1,164,214	661,540	400,564	102,110	4,623,622	2,329,065	200,797	402,338	1,725,930
<b>Total receipts.....</b>	<b>339,281,387</b>	<b>126,370,324</b>	<b>80,299,156</b>	<b>132,611,907</b>	<b>1,279,416,188</b>	<b>674,566,706</b>	<b>110,049,990</b>	<b>76,299,956</b>	<b>488,216,760</b>
Business receipts.....	329,319,863	121,013,629	78,751,761	129,554,473	1,257,411,747	664,434,019	108,920,592	74,332,185	481,181,241
Interest on Government obligations:									
United States.....	168,931	88,655	31,357	48,919	116,410	69,798	11,051	5,823	52,925
State and local.....	10,361	5,649	1,728	2,984	70,622	15,868	1,640	2,455	11,773
Other interest.....	2,506,734	932,173	319,528	1,255,033	4,604,691	2,420,134	168,677	499,163	1,752,293
Rents.....	1,843,077	1,030,876	462,381	349,818	2,698,911	983,931	108,627	327,415	547,941
Royalties.....	215,958	109,344	78,234	28,380	243,241	65,509	10,382	10,945	44,182
Net short-term capital gain reduced by net long-term capital loss.....	54,914	12,513	29,057	13,344	43,582	24,053	6,203	1,386	16,463
Net long-term capital gain reduced by net short-term capital loss.....	972,752	575,881	99,903	296,968	1,263,878	554,418	41,523	96,055	416,840
Net gain, noncapital assets.....	1,040,557	812,265	87,882	140,410	667,673	408,100	66,164	113,257	228,679
Dividends received from domestic corporations.....	301,016	82,162	148,765	70,089	667,457	355,062	14,735	59,123	281,204
Dividends received from foreign corporations.....	222,815	144,669	58,615	19,532	302,336	185,866	2,502	8,274	175,091
Other receipts.....	2,624,408	1,562,506	229,945	831,957	11,325,640	5,049,897	697,894	843,876	3,508,127
<b>Total deductions.....</b>	<b>316,106,722</b>	<b>119,684,193</b>	<b>72,204,807</b>	<b>124,217,732</b>	<b>1,238,576,591</b>	<b>652,266,948</b>	<b>108,360,054</b>	<b>71,050,079</b>	<b>472,856,815</b>
Cost of sales and operations.....	204,391,579	82,000,070	36,867,582	85,523,928	989,937,636	559,836,970	96,006,245	55,415,751	408,414,974
Compensation of officers.....	2,477,131	1,677,405	387,720	412,006	19,748,365	9,992,583	1,069,962	1,885,378	7,037,243
Repairs.....	507,458	176,807	97,503	233,148	4,144,580	1,490,505	274,562	230,290	985,653
Bad debts.....	1,064,580	234,935	511,467	318,178	2,227,391	1,158,871	136,794	220,352	801,725
Rent paid on business property.....	5,824,150	4,161,903	1,072,901	589,346	15,199,401	3,452,369	520,275	505,206	2,426,887
Taxes paid.....	18,263,267	5,204,985	5,265,676	7,792,606	17,134,420	6,813,097	755,579	885,337	5,172,180
Interest paid.....	16,186,845	3,074,066	4,092,121	9,020,659	10,988,702	5,167,887	458,883	850,412	3,858,392
Contributions or gifts.....	166,670	47,488	69,644	49,538	327,765	149,546	14,359	25,184	110,003
Amortization.....	168,969	46,566	22,059	100,344	89,476	29,731	2,643	5,742	21,346
Depreciation.....	28,313,745	6,517,540	11,151,422	10,644,784	11,194,650	4,428,255	605,704	903,058	2,919,492
Depletion.....	281,081	93,327	1,072	186,682	120,511	95,936	182	3,306	92,449
Advertising.....	1,263,724	629,319	509,867	124,539	10,932,094	2,302,062	228,988	346,089	1,726,984
Pension, profit-sharing, stock bonus, and annuity plans.....	6,206,642	1,671,568	3,160,050	1,375,024	4,168,357	2,006,355	255,399	346,308	1,404,648
Employee benefit programs.....	3,184,215	1,268,627	1,337,396	578,181	2,800,915	1,083,636	177,835	194,846	710,955
Net loss, noncapital assets.....	59,360	14,568	13,820	30,952	116,649	71,631	10,567	9,307	51,757
Other deductions.....	27,747,306	12,964,990	7,644,509	7,237,808	149,445,680	54,187,716	7,842,076	9,223,511	37,122,128
<b>Total receipts less total deductions.....</b>	<b>23,174,665</b>	<b>6,686,142</b>	<b>8,094,349</b>	<b>8,394,175</b>	<b>40,839,597</b>	<b>22,299,757</b>	<b>1,689,935</b>	<b>5,249,877</b>	<b>15,359,944</b>
Constructive taxable income from related foreign corporations.....	141,015	60,369	57,393	23,253	663,265	572,189	*1,747	8,009	562,433
Net income.....	23,305,319	6,740,862	8,150,013	8,414,444	41,432,239	22,856,078	1,690,043	5,255,431	15,910,605
Income subject to tax.....	22,090,821	6,005,914	7,842,579	8,242,328	30,594,403	14,531,349	1,340,584	2,690,073	10,500,692
Income tax, total.....	10,386,926	2,679,995	3,795,113	3,911,818	12,469,792	5,985,382	552,967	1,096,475	4,335,940
Normal tax, surtax, and alternative tax.....	10,252,353	2,654,495	3,717,532	3,880,326	12,386,647	5,940,450	549,240	1,081,766	4,309,444
Tax from recomputing prior-year investment credit.....	119,002	17,434	77,372	24,196	76,954	40,214	3,697	14,087	22,431
Tax from recomputing prior-year work incentive (WIN) credit.....	*4	*3	—	1	*13	*8	*7	—	*1
Additional tax for tax preferences.....	15,567	8,063	*210	7,295	6,177	4,709	23	623	4,063
Foreign tax credit.....	222,436	113,735	61,965	46,736	594,197	478,029	1,271	16,403	460,354
U.S. possessions tax credit.....	25,054	358	24,695	—	19,522	13,111	426	47	12,637
Investment credit.....	4,765,971	1,202,321	1,658,219	1,905,521	1,087,793	432,258	57,347	88,651	296,259
Work incentive (WIN) credit.....	463	315	73	75	3,378	1,886	61	149	1,676
Jobs credit.....	123,751	94,073	16,865	12,812	860,923	345,315	36,564	71,501	237,250
Distributions to stockholders:									
Cash and property except in own stock.....	13,002,450	1,413,448	4,431,343	7,157,659	7,050,481	4,400,621	209,807	1,327,587	2,863,228
Corporation's own stock.....	131,243	49,888	20,106	61,250	335,071	165,509	28,164	28,465	108,880

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS WITH NET INCOME

Table 1.3 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued									
	Wholesale and retail trade — Continued									
	Retail trade									
	Total	Building materials, garden supplies, and mobile home dealers	General merchandise stores	Food stores	Automotive dealers and service stations	Apparel and accessory stores	Furniture and home furnishings stores	Eating and drinking places	Miscellaneous retail stores	Wholesale and retail trade not allocable
	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
Number of returns with net income .....	298,884	26,322	7,507	19,639	54,154	28,023	25,622	54,298	83,319	305
Total assets.....	203,192,949	15,109,618	54,689,025	25,467,118	39,248,753	10,663,516	9,743,533	15,410,917	32,860,470	193,777
Cash.....	13,107,422	1,091,498	1,763,162	2,026,358	2,353,341	1,038,348	796,278	1,378,171	2,660,266	27,087
Notes and accounts receivable.....	38,318,396	3,823,220	16,668,361	1,394,844	5,506,734	1,687,861	2,602,810	942,945	5,691,622	44,203
Less: Allowance for bad debts.....	915,522	116,020	252,293	18,685	139,095	42,505	87,152	15,021	244,751	*1,268
Inventories.....	73,639,482	6,026,787	15,509,403	8,063,037	21,341,650	4,507,868	4,128,765	967,328	13,094,645	51,951
Investments in Government obligations.....										
United States.....	541,579	8,174	52,289	249,414	48,404	52,628	*4,317	65,177	61,176	—
State and local.....	136,710	*3,012	9,667	45,233	2,129	*17,374	*13,432	5,790	40,074	—
Other current assets.....	6,192,106	281,828	1,190,142	1,057,656	1,132,654	481,413	229,027	663,299	1,156,085	6,792
Loans to stockholders.....	1,614,818	91,694	388,857	81,055	255,219	297,625	58,292	225,813	216,262	*1,109
Mortgage and real estate loans.....	778,455	66,734	339,272	25,529	92,090	13,021	29,745	125,949	86,114	—
Other investments.....	11,639,066	646,624	4,613,050	1,887,126	873,823	509,386	319,711	855,131	1,934,214	*21,187
Depreciable assets.....	78,125,982	4,287,767	19,258,579	15,766,826	9,888,849	3,032,892	2,182,312	12,193,580	11,515,176	73,885
Less: Accumulated depreciation.....	31,561,391	1,929,168	7,390,644	6,557,951	3,947,198	1,330,444	907,346	4,456,684	5,041,956	38,839
Depletable assets.....	133,387	17,535	—	*284	*9,002	*5,148	*2,267	*437	98,714	—
Less: Accumulated depletion.....	57,989	*3,638	—	*158	*5,003	*2,127	*1,236	*31	*45,796	—
Land.....	5,642,689	447,668	1,394,986	780,256	1,067,214	126,218	207,150	1,035,444	583,754	*6,302
Intangible assets (amortizable).....	1,466,330	135,463	101,307	239,285	75,091	78,208	15,899	612,246	208,832	959
Less: Accumulated amortization.....	427,007	39,582	23,782	81,304	23,436	23,005	5,604	152,322	77,972	443
Other assets.....	4,818,437	270,020	1,066,671	508,312	717,286	213,605	154,865	963,665	924,012	853
Total liabilities.....	203,192,949	15,109,618	54,689,025	25,467,118	39,248,753	10,663,516	9,743,533	15,410,917	32,860,470	193,777
Accounts payable.....	34,930,688	2,378,821	11,599,032	5,407,028	3,832,076	1,907,296	1,704,399	1,577,113	6,524,923	42,639
Mortgages, notes, and bonds payable in less than one year.....	26,495,572	1,798,196	2,389,847	840,311	16,267,379	582,748	962,030	912,578	2,742,482	19,453
Other current liabilities.....	20,345,202	1,197,371	7,331,450	2,676,629	2,729,858	1,036,660	900,029	1,400,094	2,983,111	9,645
Loans from stockholders.....	5,044,778	517,654	689,847	324,436	958,064	324,523	333,971	745,330	1,150,954	*10,346
Mortgages, notes, and bonds payable in one year or more.....	33,845,509	2,110,289	9,684,659	5,772,933	4,046,337	1,132,197	1,338,270	4,682,160	5,078,664	*21,474
Other liabilities.....	4,839,765	370,120	1,329,340	691,715	507,405	225,852	420,025	579,758	715,550	*637
Capital stock.....	13,601,556	1,319,035	2,754,970	1,347,292	2,756,150	957,300	907,734	1,082,514	2,476,561	13,483
Paid-in or capital surplus.....	9,627,687	480,781	2,859,269	1,754,576	747,839	621,507	362,633	1,148,467	1,652,615	*11,075
Retained earnings, appropriated.....	790,614	46,762	204,360	20,962	126,674	69,200	123,403	62,620	136,635	—
Retained earnings, unappropriated.....	55,964,309	5,127,927	16,145,380	6,887,964	7,720,564	3,960,428	2,807,123	3,434,407	9,880,516	66,853
Less: Cost of treasury stock.....	2,292,730	237,337	299,128	256,728	443,593	154,196	206,082	214,123	481,541	*1,827
Total receipts.....	604,319,813	38,758,727	98,087,640	132,219,808	163,146,076	25,309,156	22,326,278	38,975,003	85,497,124	529,670
Business receipts.....	592,463,449	38,110,770	94,701,831	130,992,284	160,576,307	24,725,667	21,512,248	37,894,552	83,949,791	514,279
Interest on Government obligations.....										
United States.....	46,612	2,144	6,539	20,442	3,677	1,862	1,445	5,434	5,068	—
State and local.....	54,755	188	3,486	42,731	2,12	1,159	1,190	2,275	2,275	—
Other interest.....	2,183,373	150,614	541,331	146,371	765,903	103,816	127,284	86,472	261,572	*1,184
Rents.....	1,714,222	99,198	457,672	246,796	362,807	64,905	62,130	198,885	221,829	*706
Royalties.....	177,732	1,185	*899	30,185	1,633	*643	*1,679	123,111	18,397	*1
Net short-term capital gain reduced by net long-term capital loss.....	19,529	920	*778	693	2,412	*1,061	1,503	3,465	8,698	—
Net long-term capital gain reduced by net short-term capital loss.....	709,388	35,938	331,678	51,708	70,959	19,867	16,076	84,430	98,734	*72
Net gain, noncapital assets.....	258,806	22,624	28,538	33,409	73,400	6,216	9,664	32,889	52,066	*767
Dividends received from domestic corporations.....	312,386	8,516	186,179	11,465	11,429	66,458	8,446	5,930	13,964	*9
Dividends received from foreign corporations.....	116,470	*311	81,085	*23,450	*20	*37	211	3,367	7,989	—
Other receipts.....	6,263,092	326,320	1,747,625	620,276	1,274,918	317,464	584,391	535,356	856,742	12,651
Total deductions.....	585,794,619	37,001,124	94,371,279	129,695,380	160,565,536	23,781,602	21,312,797	37,070,897	81,996,004	515,024
Cost of sales and operations.....	429,722,285	27,886,405	60,992,308	101,968,456	136,411,438	14,531,298	13,505,148	16,790,187	57,637,045	378,382
Compensation of officers.....	9,735,131	1,048,879	364,769	765,565	2,304,576	783,480	870,180	1,189,640	2,408,041	20,650
Repairs.....	2,650,503	155,276	496,716	685,062	346,763	88,120	78,243	146,399	335,924	3,571
Bad debts.....	1,068,118	146,330	303,128	63,927	183,266	57,329	101,456	33,215	179,467	*402
Rent paid on business property.....	11,741,343	413,571	2,452,085	1,787,102	1,231,862	1,447,368	618,799	1,804,995	1,985,562	5,690
Taxes paid.....	10,313,810	681,467	2,313,479	1,629,632	1,675,933	570,849	442,653	1,417,246	1,582,553	7,514
Interest paid.....	5,817,033	398,155	1,747,095	423,627	1,662,416	173,311	231,928	472,201	708,300	3,982
Contributions or gifts.....	178,047	13,645	53,116	24,186	22,295	14,363	9,262	10,162	31,018	172
Amortization.....	59,745	2,587	9,122	4,801	3,997	5,539	1,033	13,261	19,404	—
Depreciation.....	6,758,910	370,083	1,346,359	1,257,106	1,141,818	283,916	214,019	1,065,410	1,080,199	7,485
Depletion.....	24,575	1,378	*2,597	*4	2,558	*1,420	*314	*941	15,364	—
Advertising.....	8,627,078	416,279	2,475,415	1,231,021	1,256,712	512,937	773,731	690,477	1,270,506	2,954
Pension, profit-sharing, stock bonus, and annuity plans.....	2,159,762	159,351	680,468	545,310	211,235	107,453	76,837	97,030	302,078	*2,240
Employee benefit programs.....	1,715,530	101,198	309,160	590,332	276,344	59,476	61,875	112,338	204,806	*1,749
Net loss, noncapital assets.....	44,996	3,082	4,362	7,213	7,878	3,652	1,062	9,978	7,767	*22
Other deductions.....	95,177,753	5,203,440	20,841,100	18,712,037	13,826,444	5,141,090	4,326,256	12,899,417	14,227,707	80,212
Total receipts less total deductions.....	18,525,194	1,757,603	3,716,360	2,524,429	2,580,540	1,527,554	1,013,482	1,904,106	3,501,121	14,645
Constructive taxable income from related foreign corporations.....	91,076	1	60,267	22,795	—	—	8	1,767	6,238	—
Net income.....	18,516,118	1,757,614	3,737,141	2,504,493	2,577,928	1,526,395	1,012,299	1,904,759	3,505,083	14,645
Income subject to tax.....	16,053,325	1,541,802	3,487,897	2,307,580	2,155,626	1,317,056	820,757	1,484,851	2,937,758	9,729
Income tax, total.....	6,481,600	596,029	1,585,987	1,018,490	770,990	532,884	292,469	567,888	1,116,864	2,810
Normal tax, surtax, and alternative tax.....	6,443,419	593,746	1,581,133	1,013,045	760,829	531,464	291,408	562,361	1,109,434	2,778
Tax from recomputing prior-year investment credit.....	36,708	2,258	4,538	5,347	9,895	1,410	999	5,212	7,050	*32
Tax from recomputing prior-year work incentive (WIN) credit.....	*5	—	—	*3	—	—	*1	*1	—	—
Additional tax for tax preferences.....	1,468	*25	316	95	265	10	62	314	*381	—
Foreign tax credit.....	116,169	54	72,361	23,771	26	*100	21	6,828	13,006	—
U.S. possessions tax credit.....	6,412	—	361	2,495	—	1,594	655	1,065	241	—
Investment credit.....	654,949	35,862	153,018	139,615	75,615	25,767	13,670	102,219	109,182	586
Work incentive (WIN) credit.....	1,492	628	105	76	274	*42	*29	*50	288	—
Jobs credit.....	515,214	51,673	18,053	52,617	123,225	37,661	29,469	110,738	91,778	*394
Distributions to stockholders.....										
Cash and property except in own stock.....	2,646,874	119,606	1,075,972	371,943	167,178	234,049	67,959	225,859	384,309	*2,986
Corporation's own stock.....	169,562	9,592	45,938	45,568	19,454	*4,577	*2,832	21,180	20,420	—

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS WITH NET INCOME

Table 1.3 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued							
	Finance, insurance, and real estate							
	Total	Banking	Credit agencies other than banks	Security, commodity brokers and services	Insurance	Insurance agents, brokers, and service	Real estate	Holding and other investment companies, except bank holding companies
	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
Number of returns with net income.....	278,590	13,111	30,141	3,842	8,137	30,397	164,473	30,489
Total assets.....	3,003,781,286	1,613,766,757	599,375,682	39,555,711	569,296,217	12,003,917	73,189,124	96,573,877
Cash.....	285,145,514	246,905,442	16,215,178	1,678,542	6,765,642	2,328,922	5,090,273	6,160,515
Notes and accounts receivable.....	949,046,867	829,295,529	64,881,507	23,279,733	16,400,218	3,968,006	7,279,212	3,942,662
Less: Allowance for bad debts.....	26,369,033	9,064,704	16,553,904	24,992	230,418	162,557	245,068	87,390
Inventories.....	4,992,193	78,252	1,506,929	*49,046	1,421,970	8,197	1,738,952	88,847
Investments in Government obligations.....	181,908,898	126,007,579	22,346,160	2,779,330	27,467,125	255,702	448,368	2,604,635
United States.....	166,942,203	105,383,391	1,485,797	223,746	57,658,817	114,343	274,182	1,801,927
State and local.....	69,689,424	23,784,984	8,760,179	6,827,493	18,377,584	517,735	7,689,850	3,731,598
Other current assets.....	3,775,632	981,762	1,039,840	35,631	161,777	138,242	920,357	498,023
Loans to stockholders.....	713,036,098	135,854,287	464,319,283	151,203	106,288,893	789,135	3,480,190	2,153,137
Mortgage and real estate loans.....	497,758,320	87,389,928	21,675,585	2,976,512	304,101,278	2,337,756	7,994,430	71,282,829
Other investments.....	96,172,485	28,723,136	11,133,629	846,779	10,119,605	1,248,454	40,919,199	3,181,683
Depreciable assets.....	30,629,556	7,044,523	3,578,574	304,169	2,116,340	519,574	16,176,688	889,689
Less: Accumulated depreciation.....	714,903	5,437	84,506	95,795	12,544	*1,378	235,768	279,476
Depletable assets.....	295,953	1,203	38,615	17,002	818	*63	122,281	115,972
Less: Accumulated depletion.....	17,933,567	2,510,142	1,983,986	51,309	656,738	103,704	11,479,393	1,148,294
Land.....	1,349,827	252,620	213,630	45,805	224,283	256,564	300,016	56,910
Intangible assets (amortizable).....	442,860	60,009	74,330	13,572	62,178	87,105	121,010	24,656
Less: Accumulated amortization.....	73,052,759	42,784,707	3,874,897	873,523	22,049,527	705,079	2,003,981	761,045
Other assets.....	3,003,781,286	1,613,766,757	599,375,682	39,555,711	569,296,217	12,003,917	73,189,124	96,573,877
Total liabilities.....	52,513,843	10,138,183	4,471,385	15,708,768	13,367,614	4,579,738	2,735,288	1,512,867
Accounts payable.....	119,424,464	38,610,870	58,372,946	7,180,437	4,705,563	467,742	8,266,295	1,820,611
Mortgages, notes, and bonds payable in less than one year.....	1,922,453,141	1,380,047,802	422,725,913	9,109,822	101,873,753	2,006,515	3,957,640	2,731,697
Other current liabilities.....	10,558,191	4,620,595	1,101,539	88,583	157,265	157,265	2,857,209	407,774
Loans from stockholders.....	143,426,619	29,658,829	70,154,099	1,678,778	8,143,185	900,709	28,049,307	4,843,712
Mortgages, notes, and bonds payable in one year or more.....	416,969,450	39,174,333	12,230,749	1,145,260	357,108,087	298,937	4,115,389	2,896,695
Other liabilities.....	64,849,208	20,647,357	5,285,035	702,854	5,560,253	613,958	6,273,991	25,765,761
Capital stock.....	118,308,717	35,692,537	4,970,616	1,487,341	14,683,403	565,409	4,628,428	56,280,982
Paid-in or capital surplus.....	23,005,899	4,844,755	4,225,631	87,815	11,945,132	56,172	260,908	1,585,485
Retained earnings, appropriated.....	141,390,898	50,903,676	16,113,176	2,494,193	51,373,249	2,579,294	13,107,808	4,819,504
Retained earnings, unappropriated.....	9,119,145	550,179	275,406	789,249	121,823	121,823	1,063,137	6,091,211
Less: Cost of treasury stock.....	436,777,333	119,212,178	60,908,839	8,263,466	196,357,954	10,023,868	31,789,795	10,221,234
Business receipts.....	216,958,248	12,351,814	13,962,501	3,553,663	157,617,086	9,486,526	18,533,371	1,453,287
Interest on Government obligations.....	13,566,613	9,410,938	1,757,604	285,824	1,720,752	19,434	49,315	322,745
United States.....	8,000,177	5,014,336	113,363	42,585	2,682,580	9,548	26,671	111,094
State and local.....	158,208,036	85,745,160	42,875,810	1,164,514	24,435,192	227,524	1,041,442	2,718,393
Other interest.....	12,224,353	1,764,170	405,407	23,125	2,679,522	27,970	6,880,653	443,506
Rents.....	506,072	15,185	19,160	*2,081	24,271	*920	78,753	365,702
Royalties.....	427,576	25,476	22,944	81,845	45,360	815	44,604	206,532
Net short-term capital gain reduced by net long-term capital loss.....	3,460,242	296,925	271,473	35,399	302,017	32,709	1,047,894	1,473,826
Net long-term capital gain reduced by net short-term capital loss.....	6,168,404	368,014	228,270	2,583,880	105,350	21,517	2,816,010	45,362
Net gain, noncapital assets.....	6,140,716	424,899	63,254	94,056	3,182,502	46,328	120,681	2,208,996
Dividends received from domestic corporations.....	332,138	117,440	29,957	5,351	50,967	12,866	3,095	112,462
Dividends received from foreign corporations.....	10,784,757	3,677,819	1,159,094	391,142	3,512,355	137,710	1,147,307	759,329
Other receipts.....	390,338,973	106,950,830	58,152,273	7,459,819	160,737,637	8,744,322	26,630,487	3,663,604
Total deductions.....	104,954,404	738,186	6,225,767	332,048	88,377,530	2,051,004	6,606,586	623,284
Cost of sales and operations.....	10,265,937	4,198,353	1,040,096	745,051	723,786	1,581,662	1,725,994	250,993
Compensation of officers.....	1,510,245	572,230	206,365	19,695	84,554	28,280	568,333	30,788
Repairs.....	6,221,697	3,303,193	2,395,864	32,767	318,557	69,577	75,283	26,456
Bad debts.....	5,028,698	1,965,112	476,447	263,605	1,136,396	258,146	858,263	70,729
Rent paid on business property.....	10,765,009	2,775,858	995,958	228,793	4,203,223	299,087	2,046,705	215,385
Taxes paid.....	105,848,839	62,484,070	34,903,539	1,188,050	3,614,952	138,702	2,929,702	589,825
Interest paid.....	301,954	159,287	38,966	7,622	42,229	12,820	31,041	9,990
Contributions or gifts.....	108,561	34,038	14,042	6,933	15,294	10,790	24,232	3,232
Amortization.....	7,880,800	3,335,856	838,104	106,589	1,449,126	166,971	1,848,806	135,347
Depreciation.....	118,204	3,402	13,530	19,903	14,262	*119	20,282	46,705
Depletion.....	3,089,693	968,181	702,380	68,884	592,000	85,574	650,280	22,393
Advertising.....	3,690,201	1,288,871	320,502	130,789	1,491,326	253,568	158,345	46,799
Pension, profit-sharing, stock bonus, and annuity plans.....	1,547,610	712,229	74,281	57,857	411,495	104,336	72,405	15,338
Employee benefit programs.....	574,719	405,146	74,281	31,833	33,932	2,046	18,889	8,613
Net loss, noncapital assets.....	128,432,401	24,006,820	7,732,502	4,219,399	78,228,874	3,681,638	8,995,341	1,567,727
Other deductions.....	46,438,360	12,261,347	4,758,585	803,647	15,620,318	1,279,546	5,159,307	6,557,630
Total receipts less total deductions.....	147,648	43,747	28,892	*1,702	18,257	9,783	*662	45,806
Constructive taxable income from related foreign corporations.....	38,585,831	7,290,758	4,689,894	782,764	12,958,985	1,278,781	5,133,298	6,492,342
Net income.....	26,964,090	6,640,659	4,347,221	619,648	9,510,954	895,444	3,732,111	1,121,153
Income subject to tax.....	11,912,962	3,031,179	2,049,169	270,834	4,492,122	387,868	1,271,538	410,454
Normal tax, surtax, and alternative tax.....	11,754,055	2,996,858	1,952,387	269,992	4,485,874	386,346	1,259,657	402,940
Tax from recomputing prior-year investment credit.....	39,864	15,607	9,492	466	5,331	1,380	5,851	1,737
Tax from recomputing prior-year work incentive (WIN) credit.....	*2	*1	*1	—	—	—	—	—
Additional tax for tax preferences.....	119,041	18,713	87,290	175	915	140	6,030	5,778
Foreign tax credit.....	1,103,995	767,374	42,742	4,790	221,013	11,867	4,742	51,466
U.S. possessions tax credit.....	6,786	—	5,817	399	—	—	138	431
Investment credit.....	695,799	357,289	69,446	21,099	158,544	14,842	63,543	11,037
Work incentive (WIN) credit.....	1,094	165	90	—	236	*178	*421	*4
Jobs credit.....	204,232	78,764	30,107	8,328	23,131	19,508	39,545	4,849
Distributions to stockholders.....	12,811,373	3,074,724	730,956	163,330	2,923,136	272,214	770,764	4,876,249
Cash and property except in own stock.....	786,376	418,755	24,996	30,415	109,278	*2,722	59,111	141,100
Corporation's own stock.....	—	—	—	—	—	—	—	—

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS WITH NET INCOME

Table 1.3 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued							
	Services							Nature of business not allocable
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair, miscellaneous repair services	Amusement and recreation services	Other services	
	(81)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns with net income.....	338,498	11,135	26,419	81,422	42,531	23,203	153,788	4,746
Total assets.....	103,810,872	12,753,063	5,263,694	31,191,587	12,009,085	18,653,527	23,947,716	1,596,582
Cash.....	11,024,480	1,060,268	628,277	3,296,728	923,950	1,644,277	3,470,980	216,932
Notes and accounts receivable.....	18,845,243	845,471	992,054	8,473,615	2,195,804	2,172,607	4,165,691	350,719
Less: Allowance for bad debts.....	537,603	48,308	35,092	154,620	32,857	103,577	163,150	3,603
Inventories.....	4,902,120	167,735	388,631	1,094,475	960,696	1,457,223	833,359	346,799
Investments in Government obligations:								
United States.....	610,269	12,598	28,155	189,199	84,960	114,694	180,663	*4,551
State and local.....	612,251	*10,724	*43,960	417,331	*18,439	31,962	89,834	*3,133
Other current assets.....	8,447,517	332,379	224,226	2,015,246	401,871	2,168,149	1,305,645	66,685
Loans to stockholders.....	1,424,522	133,862	94,533	300,215	74,405	153,365	668,142	27,048
Mortgage and real estate loans.....	1,473,524	207,946	27,964	186,140	18,940	835,690	196,843	*2,234
Other investments.....	10,707,664	1,763,563	411,796	4,192,102	432,255	1,924,176	1,983,773	112,029
Depreciable assets.....	65,363,580	10,311,145	3,815,079	15,938,379	10,283,445	10,899,926	14,115,606	644,379
Less: Accumulated depreciation.....	27,247,815	3,735,188	1,981,548	7,198,772	4,163,548	5,059,311	5,109,447	292,873
Depletable assets.....	140,273	*5,478	*6	39,118	*10,256	29,525	55,891	*41,669
Less: Accumulated depletion.....	37,944	*46	*6	13,273	*1,414	*16,015	7,189	*17,382
Land.....	4,421,373	1,170,135	274,330	542,889	416,193	1,070,826	947,000	55,382
Intangible assets (amortizable).....	1,570,613	98,919	90,735	380,132	46,763	721,407	232,657	3,900
Less: Accumulated amortization.....	758,578	36,169	26,930	113,819	15,267	483,166	83,227	2,526
Other assets.....	4,857,184	452,550	287,524	1,606,502	354,193	1,091,770	1,064,645	37,507
Total liabilities.....	103,810,872	12,753,063	5,263,694	31,191,587	12,009,085	18,653,527	23,947,716	1,596,582
Accounts payable.....	9,655,752	563,574	360,624	4,044,748	1,158,379	1,566,873	1,961,553	284,917
Mortgages, notes, and bonds payable in less than one year.....	10,088,298	590,057	429,516	3,630,141	2,267,496	1,301,529	1,869,559	187,714
Other current liabilities.....	13,647,535	837,042	647,159	4,143,291	1,230,605	3,740,363	3,049,075	160,969
Loans from stockholders.....	2,596,931	412,130	180,281	689,902	308,575	353,291	652,752	47,466
Mortgages, notes, and bonds payable in one year or more.....	25,898,380	5,797,981	954,323	5,831,776	3,059,068	3,964,664	6,290,569	216,400
Other liabilities.....	5,120,294	510,062	186,732	1,643,133	699,317	914,861	1,166,191	71,264
Capital stock.....	7,528,990	1,144,961	604,024	1,681,095	632,660	1,805,564	1,660,686	121,376
Paid-in or capital surplus.....	7,878,137	1,037,346	156,355	3,149,744	306,685	1,434,650	1,793,357	77,863
Retained earnings, appropriated.....	318,200	22,165	19,045	105,483	20,928	83,545	67,035	*4,093
Retained earnings, unappropriated.....	22,879,040	2,074,064	1,895,491	6,762,339	2,463,747	3,739,663	5,943,736	483,250
Less: Cost of treasury stock.....	1,792,884	236,318	169,855	490,064	138,374	251,476	506,797	58,730
Total receipts.....	187,874,196	11,013,048	9,108,750	51,400,416	16,896,625	20,444,991	59,010,366	4,863,109
Business receipts.....	160,569,736	10,185,712	8,788,940	49,148,511	16,178,561	18,828,095	57,429,916	4,741,094
Interest on Government obligations:								
United States.....	51,742	1,365	1,602	19,014	6,091	8,944	14,727	*693
State and local.....	33,684	839	4,357	18,795	*1,006	2,029	6,660	*311
Other interest.....	1,182,721	106,853	52,694	421,856	121,882	236,737	242,699	16,483
Rents.....	1,420,881	115,679	67,034	564,111	183,862	262,777	227,417	23,660
Royalties.....	537,179	98,695	23,265	36,005	1,304	354,743	23,166	*3,654
Net short-term capital gain reduced by net long-term capital loss.....	39,194	4,738	*3,333	8,087	1,101	2,231	19,704	*59
Net long-term capital gain reduced by net short-term capital loss.....	518,675	95,439	43,154	145,249	34,438	95,891	104,503	4,442
Net gain, noncapital assets.....	467,646	30,149	25,924	153,876	149,345	43,073	65,280	7,924
Dividends received from domestic corporations.....	184,351	22,922	7,260	59,631	3,800	45,675	45,064	2,934
Dividends received from foreign corporations.....	77,227	*3,454	*9,544	46,724	*2	14,553	2,949	—
Other receipts.....	2,781,160	337,203	81,642	778,556	215,233	550,242	828,282	61,856
Total deductions.....	158,927,228	9,829,466	8,485,996	47,956,023	15,963,312	18,752,236	55,841,195	4,647,733
Cost of sales and operations.....	79,262,713	4,796,433	4,293,988	27,740,335	8,936,522	9,400,104	24,095,331	3,458,636
Compensation of officers.....	17,019,314	232,189	656,140	3,135,625	1,023,275	696,055	11,276,029	222,953
Repairs.....	1,200,506	267,544	131,556	294,905	273,813	240,357	312,330	23,875
Bad debts.....	543,596	36,183	50,390	155,774	51,134	53,219	196,896	10,638
Rent paid on business property.....	5,944,439	552,660	388,383	1,474,333	525,069	746,697	2,257,296	66,701
Taxes paid.....	5,764,737	820,336	367,465	1,620,168	530,890	697,860	1,928,018	82,704
Interest paid.....	3,331,392	535,866	134,361	851,853	562,335	515,989	731,269	37,023
Contributions or gifts.....	81,308	6,243	6,615	22,571	5,596	13,937	26,346	1,842
Amortization.....	145,606	5,749	4,132	20,290	2,928	95,419	17,087	80
Depreciation.....	7,936,285	607,420	390,297	2,153,598	1,727,742	1,793,440	1,263,787	63,447
Depletion.....	31,167	*472	*25	3,388	*1,357	*2,269	23,656	*4,769
Advertising.....	1,852,594	241,074	163,884	533,617	132,044	573,872	308,102	25,958
Pension, profit-sharing, stock bonus, and annuity plans.....	3,158,648	37,782	59,003	524,857	58,964	153,105	2,324,937	45,931
Employee benefit programs.....	1,068,258	59,848	48,271	315,010	83,421	95,276	467,631	15,387
Net loss, noncapital assets.....	60,685	5,347	2,801	30,665	4,420	6,500	10,952	*142
Other deductions.....	29,104,881	1,923,799	1,788,685	9,079,032	2,043,802	3,668,137	10,601,527	587,647
Total receipts less total deductions.....	10,946,968	1,084,581	622,754	3,444,392	933,314	1,692,755	3,169,171	215,376
Constructive taxable income from related foreign corporations.....	81,072	1,923	1,939	41,601	*568	24,267	10,774	—
Net income.....	10,994,355	1,085,665	620,337	3,467,199	932,875	1,714,994	3,173,286	215,065
Income subject to tax.....	8,589,087	787,243	491,827	2,869,105	723,045	1,306,434	2,411,433	165,545
Income tax, total.....	3,185,457	334,199	177,620	1,110,398	239,988	567,295	755,957	61,151
Normal tax, surtax, and alternative tax.....	3,151,307	331,719	176,296	1,097,914	233,387	563,742	748,249	60,993
Tax from recomputing prior-year investment credit.....	29,971	1,601	1,308	11,019	6,525	2,534	6,983	158
Tax from recomputing prior-year work incentive (WIN) credit.....	—	—	—	—	—	—	—	—
Additional tax for tax preferences.....	4,178	878	*16	1,464	*76	1,019	724	—
Foreign tax credit.....	140,459	*6,100	*6,658	60,653	*54	48,138	18,856	( <sup>1</sup> )
U.S. possessions tax credit.....	3,789	160	—	2,145	50	110	1,334	1,484
Investment credit.....	500,305	36,165	22,528	165,053	55,571	110,525	110,463	5,882
Work incentive (WIN) credit.....	1,087	91	162	372	*70	*8	384	*14
Jobs credit.....	386,148	20,077	18,651	144,737	38,873	29,979	133,832	6,063
Distributions to stockholders:								
Cash and property except in own stock.....	1,412,812	126,107	105,451	378,991	73,962	280,086	448,215	16,618
Corporation's own stock.....	87,357	*8,371	*3,642	*10,035	*9,296	*48,792	7,221	959

\*Estimate should be used with caution because of the small number of sample returns on which it is based

\*\*Data deleted to avoid disclosure of information for specific corporations. Deleted data are included in the appropriate totals

\*Less than \$500 per return.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data"

## RETURNS OF ACTIVE CORPORATIONS

Table 1.4. — Balance Sheets and Income Statements, by Size of Total Assets

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Total returns of active corporations	Size of total assets				
		Zero assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns, total .....	2,376,779	70,894	1,250,000	448,001	252,280	160,886
<b>Total assets.....</b>	<b>6,014,452,008</b>	<b>—</b>	<b>43,093,864</b>	<b>72,734,426</b>	<b>88,129,295</b>	<b>112,631,613</b>
Cash .....	412,948,244	—	7,464,207	9,836,421	9,786,450	10,522,379
Notes and accounts receivable .....	1,589,330,717	—	6,206,363	12,927,405	17,983,806	24,632,834
Less: Allowance for bad debts .....	38,204,317	—	106,918	186,391	266,515	451,770
Inventories .....	442,652,820	—	6,329,902	12,648,885	18,143,844	24,700,807
Investments in Government obligations:						
United States .....	219,415,567	—	58,414	208,932	260,767	481,014
State and local .....	184,212,816	—	44,484	98,934	132,427	164,452
Other current assets .....	206,725,556	—	1,946,704	3,468,939	4,167,605	5,454,460
Loans to stockholders .....	18,304,758	—	1,693,941	1,859,113	1,314,270	1,331,685
Mortgage and real estate loans .....	762,046,306	—	420,391	850,632	1,242,495	1,356,733
Other investments .....	868,776,652	—	1,441,529	3,114,518	4,444,842	5,787,944
Depreciable assets .....	1,696,212,705	—	26,944,315	37,551,054	42,524,090	51,115,481
Less: Accumulated depreciation .....	631,320,855	—	13,849,779	17,676,473	19,791,926	23,442,306
Depletable assets .....	44,770,440	—	129,988	185,798	220,399	235,445
Less: Accumulated depletion .....	13,928,939	—	37,718	56,821	83,682	64,014
Land .....	79,654,340	—	2,086,742	4,858,892	6,260,086	7,546,704
Intangible assets (amortizable) .....	34,227,958	—	676,427	677,795	619,654	668,656
Less: Accumulated amortization .....	14,396,862	—	307,929	258,738	245,018	218,238
Other assets .....	153,024,102	—	1,952,803	2,625,531	2,415,702	2,809,346
<b>Total liabilities.....</b>	<b>6,014,452,008</b>	<b>—</b>	<b>43,093,864</b>	<b>72,734,426</b>	<b>88,129,295</b>	<b>112,631,613</b>
Accounts payable .....	403,553,630	—	6,658,427	10,487,001	13,692,440	18,181,440
Mortgages, notes, and bonds payable in less than one year .....	380,851,818	—	4,797,526	8,135,318	12,007,266	17,086,803
Other current liabilities .....	2,335,790,244	—	4,349,194	5,489,129	6,652,671	8,649,760
Loans from stockholders .....	58,186,425	—	7,542,288	6,690,073	5,809,983	5,289,170
Mortgages, notes, and bonds payable in one year or more .....	780,536,053	—	8,001,935	14,544,383	17,425,404	22,435,744
Other liabilities .....	560,776,983	—	1,262,057	1,996,696	2,408,557	3,217,929
Capital stock .....	309,432,793	—	10,044,749	10,562,445	10,288,991	10,253,952
Paid-in or capital surplus .....	381,888,848	—	2,410,990	3,157,861	3,648,019	4,215,003
Retained earnings, appropriated .....	40,070,733	—	199,680	284,111	443,824	547,442
Retained earnings, unappropriated .....	795,467,154	—	869,456	13,027,483	18,595,556	24,905,406
Less: Cost of treasury stock .....	32,102,672	—	1,303,524	1,640,073	1,843,415	2,151,035
<b>Total receipts.....</b>	<b>4,714,602,615</b>	<b>34,332,392</b>	<b>165,439,550</b>	<b>178,805,127</b>	<b>196,644,315</b>	<b>253,247,876</b>
Business receipts .....	4,353,704,519	26,931,923	161,703,560	173,951,672	191,005,326	246,240,452
Interest on Government obligations:						
United States .....	16,241,045	209,261	12,633	21,237	31,606	48,758
State and local .....	9,140,667	22,570	1,742	7,069	10,763	15,958
Other interest .....	195,479,301	5,062,145	274,744	513,632	717,895	951,512
Rents .....	30,260,402	428,682	1,054,668	1,636,545	1,708,428	1,926,652
Royalties .....	7,904,359	77,274	110,818	49,616	131,796	64,646
Net short-term capital gain reduced by net long-term capital loss .....	884,646	25,412	25,497	38,584	33,641	35,718
Net long-term capital gain reduced by net short-term capital loss .....	14,679,876	228,099	303,768	413,230	481,584	585,618
Net gain, noncapital assets .....	12,137,078	382,756	344,465	516,266	521,986	684,705
Dividends received from domestic corporations .....	13,321,287	82,777	31,432	72,947	102,628	114,030
Dividends received from foreign corporations .....	9,277,932	24,930	360	*977	3,395	2,482
Other receipts .....	51,571,503	856,564	1,575,864	1,583,353	1,895,267	2,577,342
<b>Total deductions.....</b>	<b>4,467,196,877</b>	<b>33,954,230</b>	<b>163,664,051</b>	<b>173,531,212</b>	<b>190,776,132</b>	<b>245,969,848</b>
Cost of sales and operations .....	3,113,421,507	20,085,739	89,538,174	111,048,490	134,727,159	184,305,796
Compensation of officers .....	85,085,175	424,214	20,989,562	12,481,967	9,365,234	9,036,599
Repairs .....	33,861,153	208,281	1,061,783	1,257,572	1,253,185	1,399,072
Bad debts .....	15,660,693	210,680	326,673	413,235	486,481	660,208
Rent paid on business property .....	56,032,175	480,547	5,420,570	4,173,843	3,352,745	3,111,360
Taxes paid .....	116,155,070	764,339	4,719,392	4,975,202	4,744,133	5,313,315
Interest paid .....	192,403,316	5,585,522	1,206,229	1,957,672	2,528,643	3,369,777
Contributions or gifts .....	2,084,022	10,553	34,091	42,874	52,699	70,227
Amortization .....	1,188,784	13,134	60,613	37,736	59,804	31,764
Depreciation .....	121,299,900	780,697	2,990,685	3,537,158	3,731,509	4,530,667
Depletion .....	6,402,020	25,530	25,092	16,992	29,842	47,040
Advertising .....	40,786,627	245,123	1,755,133	1,449,421	1,469,423	1,607,749
Pension, profit-sharing, stock bonus, and annuity plans .....	41,825,415	215,863	2,404,404	1,200,869	959,352	1,221,883
Employee benefit programs .....	27,019,096	192,272	639,904	605,474	625,712	857,436
Net loss, noncapital assets .....	2,155,305	59,340	136,212	63,096	91,033	61,395
Other deductions .....	611,816,617	4,652,375	32,355,533	30,269,613	27,299,178	30,345,557
<b>Total receipts less total deductions .....</b>	<b>247,405,739</b>	<b>378,162</b>	<b>1,775,499</b>	<b>5,273,915</b>	<b>5,868,183</b>	<b>7,278,029</b>
Constructive taxable income from related foreign corporations .....	8,602,401	13,521	288	—	*4	*677
Net income (less deficit) .....	246,867,473	369,113	1,774,045	5,266,846	5,857,424	7,262,748
Net income .....	274,519,721	1,730,099	6,113,037	7,567,065	7,932,109	9,225,658
Deficit .....	27,652,248	1,360,986	4,338,992	2,300,219	2,074,685	1,962,910
Income subject to tax .....	239,631,773	1,159,902	3,877,805	5,255,179	5,920,830	7,186,885
Income tax, total .....	107,888,445	505,166	732,752	1,230,091	1,635,681	2,412,223
Normal tax, surtax, and alternative tax .....	106,976,893	487,686	718,624	1,213,400	1,612,931	2,381,952
Tax from recomputing prior-year investment credit .....	570,927	14,774	13,489	15,124	20,986	26,664
Tax from recomputing prior-year work incentive (WIN) credit .....	106	—	*1	—	*1	*14
Additional tax for tax preferences .....	340,519	2,707	*639	1,568	1,764	4,493
Foreign tax credit .....	26,357,629	16,976	*874	*1,893	1,000	492
U.S. possessions tax credit .....	1,134,422	3,557	176	875	1,154	5,558
Investment credit .....	12,897,172	39,178	130,776	199,475	258,014	334,139
Work incentive (WIN) credit .....	18,469	23	471	541	1,204	1,745
Jobs credit .....	3,093,915	14,382	206,864	298,284	364,100	419,378
Travel, entertainment and gift expense .....	14,093,581	94,646	532,020	396,364	346,496	491,790
Distributions to stockholders:						
Cash and property except in own stock .....	70,294,349	780,976	1,225,748	730,261	779,820	824,818
Corporation's own stock .....	2,296,329	18,712	*246	9,322	24,405	24,601

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 1.4. — Balance Sheets and Income Statements, by Size of Total Assets — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Size of total assets—Continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Number of returns, total .....	142,502	18,792	15,206	8,868	4,125	2,750	2,475
<b>Total assets</b> .....	<b>287,523,681</b>	<b>137,970,335</b>	<b>240,636,260</b>	<b>240,995,596</b>	<b>288,422,093</b>	<b>423,440,563</b>	<b>4,077,874,281</b>
Cash .....	21,861,613	9,369,890	15,812,376	14,584,566	15,023,582	19,657,547	279,029,213
Notes and accounts receivable .....	68,706,983	38,476,332	80,049,633	80,202,145	78,728,494	89,153,649	1,092,263,073
Less: Allowance for bad debts .....	1,387,224	717,963	1,603,079	2,182,852	3,279,968	5,130,265	22,891,372
Inventories .....	65,379,315	24,835,253	27,153,498	18,502,539	20,314,623	28,137,888	196,506,267
Investments in Government obligations:							
United States .....	2,742,827	4,827,849	15,684,918	16,210,394	16,929,788	22,370,605	139,640,060
State and local .....	834,272	1,901,374	9,928,303	12,910,698	14,008,748	16,786,059	127,303,065
Other current assets .....	14,704,864	7,311,480	8,471,146	8,045,127	9,653,456	14,237,720	128,264,055
Loans to stockholders .....	1,945,578	471,335	508,593	537,721	461,439	829,374	7,351,709
Mortgage and real estate loans .....	4,078,943	4,254,814	17,743,624	35,645,866	66,190,340	113,913,337	516,349,131
Other investments .....	18,827,198	10,784,380	21,991,438	22,500,172	30,872,560	58,110,553	690,901,516
Depreciable assets .....	119,041,446	48,394,914	55,635,045	40,934,133	47,237,730	78,200,226	1,148,634,272
Less: Accumulated depreciation .....	52,150,355	20,917,833	22,701,190	16,179,413	18,260,722	29,940,373	396,410,501
Depletable assets .....	1,011,493	675,475	1,209,285	1,147,698	1,544,706	3,046,362	35,363,792
Less: Accumulated depletion .....	302,864	144,887	357,166	309,203	453,793	735,024	11,383,768
Land .....	14,129,286	4,710,257	4,807,991	3,474,553	3,460,714	4,852,553	23,466,563
Intangible assets (amortizable) .....	1,912,367	891,855	984,042	873,005	1,195,160	1,844,114	23,884,683
Less: Accumulated amortization .....	839,728	308,581	316,380	335,396	510,675	510,675	10,837,454
Other assets .....	6,927,649	3,154,390	4,634,182	4,317,169	5,130,635	8,616,915	10,439,779
<b>Total liabilities</b> .....	<b>287,523,681</b>	<b>137,970,335</b>	<b>240,636,260</b>	<b>240,995,596</b>	<b>288,422,093</b>	<b>423,440,563</b>	<b>4,077,874,281</b>
Accounts payable .....	46,511,860	18,412,943	19,839,489	13,157,111	14,643,653	20,733,518	221,235,746
Mortgages, notes, and bonds payable in less than one year .....	47,576,565	18,669,766	20,727,528	16,620,372	17,863,322	20,077,015	197,290,337
Other current liabilities .....	28,604,311	29,365,982	98,870,019	124,092,277	150,851,979	212,287,066	1,656,577,858
Loans to stockholders .....	7,213,761	1,731,248	1,535,797	929,545	1,391,584	1,587,490	18,465,477
Mortgages, notes, and bonds payable in one year or more .....	55,426,868	22,689,561	27,592,599	22,349,683	28,276,478	42,767,536	519,025,861
Other liabilities .....	9,892,622	5,467,743	9,831,640	10,542,457	13,921,288	27,560,993	474,675,001
Capital stock .....	20,956,779	8,310,976	13,951,591	10,609,136	10,323,978	15,451,874	188,678,323
Paid-in or capital surplus .....	13,354,120	7,350,113	13,771,650	14,763,508	19,989,701	35,918,263	263,309,421
Retained earnings, appropriated .....	1,835,492	794,365	1,286,536	1,390,985	1,544,960	2,359,622	29,383,717
Retained earnings, unappropriated .....	60,903,897	26,793,341	34,940,122	28,064,236	31,089,598	46,450,900	511,566,072
Less: Cost of treasury stock .....	4,752,594	1,615,702	1,710,911	1,523,714	1,474,458	1,753,714	12,333,532
<b>Total receipts</b> .....	<b>806,372,239</b>	<b>225,413,335</b>	<b>231,947,375</b>	<b>165,525,686</b>	<b>185,272,552</b>	<b>262,043,915</b>	<b>2,209,558,253</b>
Business receipts .....	589,513,801	217,364,150	216,544,307	149,437,113	166,266,636	234,091,255	1,980,654,325
Interest on Government obligations:							
United States .....	224,497	346,551	1,166,724	1,222,128	1,281,374	1,685,080	9,991,197
State and local .....	69,498	102,239	468,067	584,346	665,404	788,859	6,404,152
Other interest .....	2,876,093	2,297,184	7,241,191	9,235,726	11,753,933	17,180,975	137,374,271
Rents .....	3,736,806	1,356,242	1,533,652	1,136,739	973,913	1,350,558	13,417,517
Royalties .....	289,809	172,910	209,373	156,859	175,420	467,303	5,998,532
Net short-term capital gain reduced by net long-term capital loss .....	120,172	33,460	67,163	59,893	59,669	84,584	300,854
Net long-term capital gain reduced by net short-term capital loss .....	1,190,409	535,086	794,295	613,637	605,974	929,164	7,979,013
Net gain, noncapital assets .....	1,667,107	548,059	700,214	538,884	599,961	842,452	4,810,224
Dividends received from domestic corporations .....	497,374	294,427	473,672	447,505	633,468	1,018,476	9,552,551
Dividends received from foreign corporations .....	21,459	41,154	87,492	107,313	165,862	346,246	8,496,461
Other receipts .....	6,165,214	2,321,873	2,681,226	1,985,543	2,091,137	3,258,964	24,579,156
<b>Total deductions</b> .....	<b>587,819,649</b>	<b>217,098,882</b>	<b>221,013,783</b>	<b>156,363,285</b>	<b>175,444,168</b>	<b>247,021,229</b>	<b>2,054,540,427</b>
Cost of sales and operations .....	456,662,895	168,905,927	165,535,885	112,049,413	124,917,012	169,737,824	1,375,907,193
Compensation of officers .....	13,887,258	3,334,775	3,081,907	1,828,483	1,610,232	1,835,138	7,209,806
Repairs .....	2,813,147	1,006,146	1,088,913	813,249	937,831	1,687,609	20,334,364
Bad debts .....	1,536,259	549,392	766,631	761,479	894,394	1,179,967	7,875,294
Rent paid on business property .....	5,904,159	2,091,323	2,289,564	1,670,473	1,911,954	2,994,746	22,630,888
Taxes paid .....	11,455,558	4,132,223	4,514,073	3,593,551	3,953,833	5,681,083	62,307,968
Interest paid .....	8,790,121	4,165,088	7,509,557	8,207,817	10,325,913	15,014,228	123,742,748
Contributions or gifts .....	194,657	89,991	109,011	89,983	85,438	119,794	1,184,703
Amortization .....	115,847	35,008	47,982	33,132	43,522	126,170	584,074
Depreciation .....	10,143,625	4,154,441	4,515,003	3,193,336	3,536,561	5,572,061	74,614,155
Depletion .....	185,254	109,688	170,497	143,746	147,593	464,681	5,036,063
Advertising .....	3,891,749	1,633,390	1,708,070	1,448,703	1,717,785	2,767,835	21,092,249
Pension, profit-sharing, stock bonus, and annuity plans .....	2,732,495	994,550	1,205,916	888,546	1,111,463	1,876,867	27,013,186
Employee benefit programs .....	1,999,735	791,400	959,162	773,830	935,770	1,513,730	17,124,671
Net loss, noncapital assets .....	291,576	99,415	160,201	157,505	93,182	168,844	773,501
Other deductions .....	67,214,912	25,006,124	27,351,393	20,710,034	23,221,686	36,280,651	287,109,562
<b>Total receipts less total deductions</b> .....	<b>18,552,590</b>	<b>8,314,453</b>	<b>10,933,612</b>	<b>9,162,402</b>	<b>9,828,384</b>	<b>15,022,685</b>	<b>155,017,826</b>
Constructive taxable income from related foreign corporations .....	6,848	20,550	52,068	74,349	117,584	278,710	8,037,803
<b>Net income (less deficit)</b> .....	<b>18,489,940</b>	<b>8,232,763</b>	<b>10,517,613</b>	<b>8,652,405</b>	<b>9,280,563</b>	<b>14,512,537</b>	<b>156,651,477</b>
Net income .....	23,001,334	9,864,532	12,343,843	9,701,021	10,275,762	16,002,224	160,763,038
Deficit .....	4,511,394	1,631,768	1,826,230	1,048,616	995,199	1,489,687	4,111,561
<b>Income subject to tax</b> .....	<b>18,483,653</b>	<b>8,281,922</b>	<b>10,086,268</b>	<b>7,984,751</b>	<b>8,380,247</b>	<b>13,487,031</b>	<b>149,667,300</b>
<b>Income tax, total</b> .....	<b>7,892,809</b>	<b>3,770,267</b>	<b>4,640,268</b>	<b>3,718,131</b>	<b>3,954,897</b>	<b>6,380,708</b>	<b>71,015,451</b>
Normal tax, surtax, and alternative tax .....	7,815,369	3,739,431	4,600,443	3,687,654	3,913,108	6,320,546	70,486,649
Tax from recomputing prior-year investment credit .....	61,780	22,679	22,665	15,502	16,601	24,441	316,223
Tax from recomputing prior-year work incentive (WIN) credit .....	28	(1)	31	(1)	2	27	3
Additional tax for tax preferences .....	15,633	8,156	17,128	14,975	25,186	35,694	212,576
Foreign tax credit .....	23,003	50,877	68,957	127,408	152,546	458,259	25,455,354
U.S. possessions tax credit .....	61,076	56,680	171,065	148,567	171,660	283,525	230,829
Investment credit .....	784,645	321,384	371,839	269,284	326,024	545,555	9,316,861
Work incentive (WIN) credit .....	2,247	1,727	652	346	364	514	8,637
Jobs credit .....	943,448	281,603	218,938	106,325	76,803	62,939	100,852
Travel, entertainment and gift expense .....	1,160,805	517,694	618,133	509,211	627,821	1,037,661	7,760,937
<b>Distributions to stockholders:</b>							
Cash and property except in own stock .....	2,501,757	1,190,651	2,165,107	1,882,083	2,176,496	4,525,247	51,511,385
Corporation's own stock .....	175,934	79,361	162,005	193,039	248,266	482,109	908,328

\*Estimate should be used with caution because of the small number of sample returns on which it is based

†Less than \$500 per return

NOTE: Data may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data"

## RETURNS WITH NET INCOME

Table 1.5 — Balance Sheets and Income Statements, by Size of Total Assets

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Total returns with net income	Size of total assets				
		Zero assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns.....	1,523,648	28,250	669,139	326,746	194,620	127,814
Total assets.....	5,443,711,445	—	27,252,116	53,248,422	88,991,720	89,814,194
Cash.....	381,190,742	—	5,559,136	8,251,156	8,569,073	9,262,540
Notes and accounts receivable.....	1,457,430,476	—	4,081,252	10,140,827	14,866,878	20,759,436
Less: Allowance for bad debts.....	35,111,382	—	60,856	108,195	201,364	348,870
Inventories.....	383,327,219	—	3,916,581	9,511,191	14,017,786	20,284,907
Investments in Government obligations:						
United States.....	201,048,748	—	33,015	157,554	212,388	412,963
State and local.....	170,974,687	—	32,527	46,349	89,009	138,911
Other current assets.....	173,635,087	—	1,133,826	2,286,528	2,941,042	3,953,366
Loans to stockholders.....	15,000,144	—	1,210,321	1,417,492	1,013,511	946,613
Mortgage and real estate loans.....	721,832,747	—	314,141	597,663	1,001,999	1,055,164
Other investments.....	803,352,612	—	829,517	2,294,824	3,499,324	4,711,496
Depreciable assets.....	1,486,297,479	—	18,306,302	26,409,056	32,413,922	39,632,988
Less: Accumulated depreciation.....	553,321,264	—	8,509,660	12,981,341	15,733,473	18,795,769
Depletable assets.....	36,438,267	—	84,329	97,739	175,483	150,038
Less: Accumulated depletion.....	12,565,820	—	22,889	45,037	77,555	45,175
Land.....	59,568,588	—	1,130,852	3,132,389	4,297,784	5,160,026
Intangible assets (amortizable).....	30,851,575	—	313,920	399,090	390,542	468,038
Less: Accumulated amortization.....	13,162,235	—	149,936	153,392	170,336	150,600
Other assets.....	137,123,854	—	1,069,740	1,784,530	1,665,707	2,018,122
Total liabilities.....	5,443,711,445	—	27,252,116	53,248,422	88,991,720	89,814,194
Accounts payable.....	345,604,072	—	3,608,839	7,421,225	10,318,164	14,422,816
Mortgages, notes, and bonds payable in less than one year.....	307,277,072	—	2,336,473	4,636,557	7,758,751	12,056,414
Other current liabilities.....	2,178,591,997	—	2,698,553	3,997,772	5,236,998	7,066,451
Loans from stockholders.....	38,726,308	—	2,962,374	3,728,034	3,464,750	3,238,378
Mortgages, notes, and bonds payable in one year or more.....	645,628,873	—	3,708,820	8,560,869	11,113,828	14,719,948
Other liabilities.....	530,791,697	—	656,448	1,238,776	1,776,708	2,459,287
Capital stock.....	263,586,943	—	5,165,396	7,199,905	7,364,059	7,869,685
Paid-in or capital surplus.....	323,885,374	—	877,943	1,915,277	2,092,647	2,605,886
Retained earnings, appropriated.....	37,011,448	—	149,104	178,651	347,330	490,783
Retained earnings, unappropriated.....	800,621,511	—	5,906,849	15,711,790	20,965,987	26,476,159
Less: Cost of treasury stock.....	28,013,848	—	818,683	1,340,435	1,447,503	1,791,612
Total receipts.....	4,204,361,166	25,848,091	112,295,989	140,968,861	193,543,875	218,939,764
Business receipts.....	3,877,465,999	21,260,905	109,564,966	137,123,207	158,881,759	213,195,941
Interest on Government obligations:						
United States.....	14,867,053	156,221	8,242	16,878	25,858	42,681
State and local.....	8,452,454	17,429	1,060	5,049	8,489	12,598
Other interest.....	180,285,875	2,607,925	202,090	416,377	622,619	800,438
Rents.....	25,065,400	241,363	699,349	1,282,206	1,366,238	1,551,851
Royalties.....	7,492,190	35,954	100,425	37,960	124,540	51,425
Net short-term capital gain reduced by net long-term capital loss.....	772,552	21,947	18,244	35,773	27,576	30,442
Net long-term capital gain reduced by net short-term capital loss.....	13,727,326	196,117	264,305	362,313	421,630	515,639
Net gain, noncapital assets.....	10,482,165	350,786	258,765	410,374	430,492	566,829
Dividends received from domestic corporations.....	12,565,982	77,046	27,764	63,681	90,125	108,631
Dividends received from foreign corporations.....	9,030,850	20,955	360	961	3,363	2,470
Other receipts.....	44,153,330	661,444	1,150,418	1,212,083	1,541,185	2,060,817
Total deductions.....	3,928,872,134	23,910,500	106,182,179	133,394,747	155,603,279	209,702,185
Cost of sales and operations.....	2,753,355,437	15,636,601	58,275,284	86,546,874	110,565,430	158,563,656
Compensation of officers.....	71,210,182	264,944	14,858,712	10,417,883	8,153,618	8,017,489
Repairs.....	28,878,469	143,230	646,130	848,067	983,282	1,137,020
Bad debts.....	13,093,325	88,145	174,165	294,109	366,224	500,585
Rent paid on business property.....	46,764,790	337,097	3,330,084	3,187,711	2,591,151	2,562,507
Taxes paid.....	102,251,482	551,560	3,082,415	3,847,323	3,880,912	4,473,093
Interest paid.....	166,858,327	2,598,858	649,539	1,227,837	1,711,207	2,374,173
Contributions or gifts.....	2,073,505	10,376	31,733	41,349	51,360	70,008
Amortization.....	909,748	7,659	20,910	23,745	48,254	22,604
Depreciation.....	106,588,187	542,420	1,856,992	2,521,248	2,904,277	3,582,109
Depletion.....	5,567,419	18,627	20,778	14,215	23,811	39,242
Advertising.....	35,999,946	176,448	1,019,703	1,060,672	1,124,006	1,331,230
Pension, profit-sharing, stock bonus, and annuity plans.....	38,429,488	190,653	1,763,021	1,072,267	873,950	1,143,674
Employee benefit programs.....	23,989,224	165,424	434,385	478,730	507,936	739,274
Net loss, noncapital assets.....	1,137,126	8,831	18,963	15,237	25,638	32,281
Other deductions.....	532,765,478	2,972,626	19,899,366	21,797,480	21,792,223	25,113,240
Total receipts less total deductions.....	274,489,052	1,737,591	6,113,810	7,572,114	7,940,595	9,237,579
Constructive taxable income from related foreign corporations.....	8,483,123	9,936	288	—	3	677
Net income.....	274,519,721	1,730,099	6,113,037	7,567,065	7,932,109	9,225,658
Income subject to tax.....	239,627,020	1,159,889	3,387,805	5,255,141	5,920,830	7,186,878
Income tax, total.....	107,803,897	501,852	727,888	1,227,447	1,633,519	2,409,560
Normal tax, surtax, and alternative tax.....	106,974,698	487,684	718,824	1,213,392	1,612,931	2,381,051
Tax from recomputing prior-year investment credit.....	525,381	12,044	9,873	12,523	18,906	24,166
Tax from recomputing prior-year work incentive (WIN) credit.....	79	—	1	—	—	14
Additional tax for tax preferences.....	303,739	2,124	3,707	1,532	1,682	4,328
Foreign tax credit.....	26,357,626	18,976	874	1,983	1,000	492
U.S. possessions tax credit.....	1,134,422	3,557	176	—	1,154	5,558
Investment credit.....	12,897,130	39,175	130,776	199,475	258,014	334,139
Work incentive (WIN) credit.....	18,489	23	471	541	1,204	1,745
Jobs credit.....	3,093,915	14,382	208,864	298,284	384,100	419,378
Travel, entertainment and gift expense.....	12,545,315	71,895	350,019	305,308	293,956	391,791
Distributions to stockholders:						
Cash and property except in own stock.....	87,051,545	595,681	1,052,121	706,771	761,248	797,412
Corporation's own stock.....	2,147,986	15,368	248	4,127	24,281	24,557

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS WITH NET INCOME

Table 1.5 — Balance Sheets and Income Statements, by Size of Total Assets — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Size of total assets — Continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Number of returns.....	113,829	16,056	12,864	6,070	3,632	2,394	2,240
<b>Total assets.....</b>	<b>230,210,960</b>	<b>112,078,539</b>	<b>204,425,432</b>	<b>213,045,907</b>	<b>254,167,918</b>	<b>368,691,767</b>	<b>3,821,984,471</b>
Cash .....	19,055,002	8,030,327	13,968,860	13,091,122	13,448,451	17,340,983	264,604,091
Notes and accounts receivable .....	58,466,417	32,785,918	70,857,686	72,209,048	69,887,712	76,396,560	1,026,958,741
Less: Allowance for bad debts .....	1,088,474	580,536	1,376,055	1,967,854	2,964,039	4,665,982	21,749,037
Inventories .....	55,443,971	21,191,623	22,740,647	15,482,904	17,343,687	24,411,762	178,982,161
Investments in Government obligations							
United States .....	2,328,452	4,351,819	14,399,770	14,869,520	15,199,880	19,363,990	129,719,398
State and local .....	813,411	1,682,415	9,141,442	11,952,100	12,587,290	14,252,520	120,238,712
Other current assets .....	10,560,786	5,171,980	7,134,750	6,512,983	7,611,104	11,556,287	114,772,436
Loans to stockholders .....	1,490,010	300,898	414,728	411,502	342,093	758,736	6,694,240
Mortgage and real estate loans .....	2,991,550	3,616,847	16,046,792	33,978,626	63,682,057	106,681,768	491,866,141
Other investments .....	14,620,527	8,267,844	17,868,894	19,368,817	25,365,944	49,884,043	656,641,383
Depreciable assets .....	92,056,688	38,465,958	44,225,323	33,936,580	39,377,357	66,334,063	1,057,139,243
Less: Accumulated depreciation .....	42,107,772	17,318,272	18,645,658	13,900,660	15,640,088	25,950,165	363,738,402
Depletable assets .....	619,783	356,917	735,370	828,037	903,387	1,518,978	30,988,207
Less: Accumulated depletion .....	228,968	93,958	259,202	264,170	273,279	381,125	10,874,562
Land .....	9,483,806	3,192,955	3,392,482	2,648,173	2,815,337	3,691,147	20,623,538
Intangible assets (amortizable) .....	1,416,864	590,054	717,613	686,699	901,773	1,368,964	23,398,018
Less: Accumulated amortization .....	694,425	194,014	235,183	174,034	285,722	255,395	10,699,195
Other assets .....	4,983,332	2,259,768	3,297,174	3,376,514	3,864,974	6,384,633	106,419,360
<b>Total liabilities.....</b>	<b>230,210,960</b>	<b>112,078,539</b>	<b>204,425,432</b>	<b>213,045,907</b>	<b>254,167,918</b>	<b>368,691,767</b>	<b>3,821,984,471</b>
Accounts payable .....	38,390,132	14,888,938	15,604,361	10,771,460	12,028,563	17,507,318	200,642,255
Mortgages, notes, and bonds payable in less than one year .....	35,187,429	13,677,163	15,385,393	12,934,807	14,216,375	14,727,998	174,359,712
Other current liabilities .....	23,332,809	25,169,289	90,371,025	114,977,013	139,765,849	190,941,846	1,575,034,392
Loans from stockholders .....	4,217,674	963,317	951,505	664,343	840,890	1,217,349	16,477,694
Mortgages, notes, and bonds payable in one year or more .....	36,506,901	15,140,939	18,535,925	16,527,359	20,981,553	33,097,816	466,734,913
Other liabilities .....	6,767,371	3,895,307	6,878,855	8,411,077	11,419,361	23,255,348	464,033,159
Capital stock .....	15,709,409	6,427,641	11,587,699	8,966,659	8,784,927	12,860,269	171,651,295
Paid-in or capital surplus .....	7,776,771	4,560,313	10,085,539	11,877,323	15,410,809	28,208,176	238,474,691
Retained earnings, appropriated .....	1,589,443	710,570	1,178,091	1,278,176	1,292,632	2,166,428	27,630,240
Retained earnings, unappropriated .....	64,768,708	28,062,992	35,326,037	27,990,916	30,716,723	46,293,920	498,401,429
Less: Cost of treasury stock .....	4,035,687	1,417,929	1,478,998	1,353,226	1,289,764	1,584,703	11,455,307
<b>Total receipts.....</b>	<b>530,709,765</b>	<b>195,105,717</b>	<b>199,734,055</b>	<b>144,971,301</b>	<b>160,960,939</b>	<b>231,823,548</b>	<b>2,079,661,281</b>
Business receipts .....	516,689,192	188,362,161	186,358,559	130,581,441	144,019,738	207,136,900	1,864,291,229
Interest on Government obligations:							
United States .....	194,396	314,769	1,072,272	1,133,646	1,166,152	1,481,595	9,254,342
State and local .....	59,275	97,730	537,457	537,457	595,671	646,078	6,045,957
Other interest .....	2,416,851	1,981,309	6,527,784	8,525,000	10,808,706	15,495,023	129,881,755
Rents .....	2,909,044	1,030,039	1,138,185	845,902	685,823	1,054,855	12,260,545
Royalties .....	240,343	152,998	176,360	112,850	147,085	418,758	5,893,492
Net short-term capital gain reduced by net long-term capital loss .....	101,816	28,364	52,969	52,120	47,529	68,245	287,536
Net long-term capital gain reduced by net short-term capital loss .....	1,056,412	471,895	716,939	566,070	539,305	856,421	7,760,281
Net gain, noncapital assets .....	1,389,884	422,093	588,288	474,053	483,017	662,915	4,444,668
Dividends received from domestic corporations .....	469,749	275,373	434,827	418,227	585,345	956,920	9,058,293
Dividends received from foreign corporations .....	13,319	40,155	63,069	103,102	156,691	333,207	8,293,198
Other receipts .....	5,169,483	1,932,833	2,175,141	1,621,434	1,725,876	2,712,631	22,189,985
<b>Total deductions.....</b>	<b>507,655,995</b>	<b>185,167,980</b>	<b>187,009,545</b>	<b>134,805,637</b>	<b>150,206,207</b>	<b>215,447,568</b>	<b>1,920,786,311</b>
Cost of sales and operations .....	398,428,428	144,896,198	141,285,874	96,677,008	107,081,221	148,779,330	1,286,419,532
Compensation of officers .....	12,470,303	2,950,062	2,680,186	1,624,440	1,408,469	1,602,375	6,761,701
Repairs .....	2,308,302	842,801	908,390	711,961	797,718	1,478,413	18,073,153
Bad debts .....	1,141,269	412,234	561,902	558,259	716,578	968,555	7,311,300
Rent paid on business property .....	4,932,715	1,763,289	1,871,270	1,412,770	1,636,406	2,632,329	20,507,459
Taxes paid .....	9,735,288	3,562,523	3,862,879	3,227,886	3,397,953	5,062,397	57,557,253
Interest paid .....	6,300,338	3,136,229	6,082,688	7,143,365	9,005,874	12,827,450	113,800,768
Contributions or gifts .....	191,882	89,223	108,606	89,886	85,372	119,547	1,184,163
Amortization .....	92,853	24,904	29,047	22,280	35,026	71,499	510,965
Depreciation .....	8,137,673	3,344,658	3,652,687	2,674,643	2,928,245	4,759,773	69,683,463
Depletion .....	159,760	80,228	139,143	108,187	116,617	358,914	4,487,899
Advertising .....	3,179,066	1,351,100	1,423,829	1,240,599	1,473,871	2,414,182	20,205,240
Pension, profit-sharing, stock bonus, and annuity plans .....	2,552,612	917,009	1,065,502	815,783	1,007,882	1,694,514	25,332,621
Employee benefit programs .....	1,720,636	681,060	815,085	687,144	805,569	1,340,050	15,613,929
Net loss, noncapital assets .....	99,976	42,142	70,964	60,859	56,050	89,197	619,989
Other deductions .....	56,204,894	21,074,317	22,451,494	17,750,564	19,653,355	31,249,043	272,716,876
<b>Total receipts less total deductions .....</b>	<b>23,053,770</b>	<b>9,937,738</b>	<b>12,724,510</b>	<b>10,165,664</b>	<b>10,754,732</b>	<b>16,375,980</b>	<b>158,874,969</b>
Constructive taxable income from related foreign corporations .....	6,839	20,524	48,995	72,813	116,701	272,321	7,934,026
Net income .....	23,001,334	9,864,532	12,343,843	9,701,021	10,275,762	16,002,224	160,763,038
Income subject to tax .....	18,833,602	8,280,610	10,086,268	7,984,751	8,380,247	13,483,727	149,667,206
Income tax, total .....	7,882,741	3,765,015	4,636,238	3,715,974	3,951,407	6,375,733	70,976,548
Normal tax, surtax, and alternative tax .....	7,815,357	3,738,863	4,600,443	3,687,654	3,913,108	6,318,961	70,486,630
Tax from recomputing prior-year investment credit .....	52,987	18,860	19,487	13,630	14,949	22,184	306,771
Tax from recomputing prior-year work incentive (WIN) credit .....	*28	*(1)	31	1	2	1	2
Additional tax for tax preferences .....	14,369	7,286	16,277	14,690	23,348	34,587	183,145
Foreign tax credit .....	23,003	50,877	68,957	127,408	152,546	458,256	25,455,354
U.S. possessions tax credit .....	61,076	56,680	171,065	148,567	171,660	283,525	230,829
Investment credit .....	784,643	321,384	371,839	269,284	326,024	545,536	9,316,841
Work incentive (WIN) credit .....	2,247	1,727	652	346	364	514	8,637
Jobs credit .....	943,448	281,603	218,938	106,325	76,803	62,939	100,852
Travel, entertainment and gift expense .....	974,319	437,086	509,642	437,944	532,851	934,432	7,336,077
Distributions to stockholders .....							
Cash and property except in own stock .....	2,428,877	1,149,196	2,075,647	1,809,040	2,041,594	4,263,229	49,400,728
Corporation's own stock .....	170,937	76,073	175,434	179,173	236,058	381,073	860,660

\*Estimate should be used with caution because of the small number of sample returns on which it is based

†Less than \$500 per return

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 1.6 — Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Total Assets

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Industrial division, item	Size of total assets											
	Total returns of active corporations	Zero assets	\$1 million	\$100,000	\$250,000	\$500,000	\$1,000,000	\$5,000,000	\$10,000,000	\$25,000,000	\$50,000,000	\$100,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>All Industrial Divisions</b>												
Number of returns	2,376,779	70,894	1,250,000	449,001	252,280	160,886	142,502	19,792	15,206	6,868	4,125	2,475
Total assets	6,014,452,008	—	43,093,864	72,734,426	89,129,295	112,631,613	287,529,691	137,970,335	240,636,260	240,995,506	288,422,093	423,440,563
Notes and accounts receivable, net	1,551,126,400	—	6,099,445	12,741,014	17,717,291	24,181,065	59,379,759	37,759,368	78,446,554	78,119,293	95,448,526	146,023,584
Inventories	1,422,652,820	—	6,329,902	12,648,883	18,143,844	24,700,720	65,379,315	24,635,253	50,896,743	51,750,785	55,615,573	73,051,930
Cash, Government obligations, and other current assets	1,023,302,183	—	9,513,809	18,313,226	14,347,249	16,622,305	40,243,676	23,410,593	50,896,743	51,750,785	55,615,573	73,051,930
Other investments and loans	1,643,127,716	—	3,555,860	5,824,263	7,001,606	8,417,381	24,651,719	15,510,529	40,243,676	40,243,676	47,524,339	77,524,339
Depreciable assets	1,698,212,705	—	26,944,315	37,551,054	42,584,909	51,115,481	119,041,446	40,334,133	55,635,045	55,635,045	47,237,730	78,200,226
Less: Accumulated depreciation	631,320,855	—	13,849,779	17,676,473	19,791,325	23,442,366	52,150,335	20,917,833	22,321,773	22,321,773	18,260,722	29,940,376
Other capital assets less reserves	130,326,937	—	2,547,509	5,406,927	6,771,438	8,168,553	15,910,554	5,824,119	6,327,773	6,327,773	5,411,390	8,487,330
Accounts and notes payable	784,405,448	—	11,455,953	18,622,319	25,699,707	35,268,242	94,088,425	37,082,709	40,567,017	40,567,017	32,506,975	41,852,083
Other current liabilities	2,335,790,244	—	4,349,194	5,489,129	6,652,671	8,649,760	28,604,311	29,365,982	98,870,019	98,870,019	120,092,277	150,851,979
Mortgages, notes, and bonds payable in one year or more	780,536,053	—	8,001,935	14,544,383	17,425,404	22,435,740	55,426,668	22,688,592	27,592,599	27,592,599	28,276,478	42,767,536
Net worth	1,494,756,856	—	10,482,438	25,391,826	31,132,974	37,770,768	92,297,694	41,633,092	62,239,189	62,239,189	61,473,779	98,426,941
Cost of property used for investment credit	189,977,419	806,378	3,695,743	4,888,274	5,175,292	6,173,395	14,004,049	4,408,476	6,285,879	6,285,879	4,685,300	8,563,448
Total receipts	4,714,602,615	34,332,378	165,439,550	178,805,127	196,644,315	253,247,876	606,372,239	225,413,335	231,947,375	165,525,686	185,272,552	262,043,915
Business receipts	4,353,704,519	26,931,923	161,703,580	173,951,672	191,005,326	246,240,452	599,513,801	217,364,150	216,544,307	165,535,885	186,266,636	234,991,255
Cost of sales and operations	3,113,421,507	20,085,739	89,538,174	111,048,490	134,727,159	184,305,756	456,662,895	168,905,927	165,535,885	112,047,113	124,917,012	169,237,824
Taxes paid	116,155,071	764,339	4,719,392	4,975,202	4,744,133	5,313,315	11,455,958	4,132,223	4,514,073	3,592,551	3,953,833	5,681,083
Interest paid	192,403,316	5,565,522	1,206,229	1,957,672	2,528,643	3,369,777	8,790,121	4,165,088	7,509,557	8,207,817	10,325,913	15,014,228
Depreciation	121,299,900	780,697	2,990,685	3,537,158	3,731,509	4,530,667	10,143,625	4,154,441	4,515,003	3,193,336	3,536,561	5,572,061
Pension, profit-sharing, stock bonus, and annuity plans	41,825,415	215,863	2,404,404	1,200,869	959,352	1,221,861	2,732,495	994,550	1,295,916	888,546	1,111,463	1,876,867
Employee benefit programs	247,019,086	192,272	639,904	605,474	625,712	827,424	1,999,735	791,400	959,162	777,830	935,770	1,513,730
Net income (less deficit)	246,867,473	369,113	1,774,045	5,266,846	5,857,424	7,282,748	18,489,940	8,232,763	10,517,613	8,652,405	10,275,762	15,513,537
Income subject to tax	239,631,773	1,730,099	6,113,037	7,567,065	7,932,109	9,225,658	23,001,334	9,864,592	12,343,843	9,701,021	10,275,762	16,002,224
Income tax, total	107,888,445	505,166	732,752	1,230,091	1,635,681	2,412,223	7,892,809	3,770,262	4,640,268	3,718,131	3,954,897	6,360,708
Additional tax for tax preferences	340,519	2,707	6,639	1,568	1,764	4,493	15,633	8,156	17,128	14,975	25,186	35,694
Foreign tax credit	26,357,629	16,976	874	1,883	1,000	492	23,003	50,877	68,957	127,408	152,546	254,555
Investment credit	12,897,172	39,178	130,776	199,475	258,014	334,139	784,645	321,384	371,839	266,284	326,024	545,555
Nonrefundable energy credit before limitation	61,955	247	774	24	1,204	1,745	3,014	1,637	1,688	1,293	2,370	2,741
Work incentive (WIN) credit	18,469	23	208,864	298,284	364,100	419,378	943,448	281,603	218,938	346	364	514
Jobs credit	3,093,915	14,382	2,257,748	730,261	779,820	824,818	2,501,757	1,190,651	2,185,107	1,063,325	76,803	62,939
Distributions to stockholders except in own stock	70,294,349	780,976	1,225,748	730,261	779,820	824,818	2,501,757	1,190,651	2,185,107	1,063,325	76,803	62,939
<b>Agriculture, Forestry, and Fishing</b>												
Number of returns	69,971	—	24,650	16,391	12,870	7,926	5,106	368	—	—	—	—
Total assets	32,904,622	—	908,994	2,795,599	4,498,288	5,567,755	9,507,087	2,445,598	—	—	—	—
Notes and accounts receivable, net	3,000,877	—	60,092	141,922	258,760	327,171	872,270	282,594	—	—	—	—
Inventories	3,769,408	—	14,321	186,823	343,913	446,307	1,083,868	387,183	—	—	—	—
Cash, Government obligations, and other current assets	3,697,377	—	16,726	230,994	427,333	585,924	863,695	337,392	—	—	—	—
Other investments and loans	18,476,272	—	921,729	2,211,802	3,053,982	3,242,914	4,831,526	1,030,046	—	—	—	—
Depreciable assets	8,241,990	—	501,587	998,400	1,403,076	1,740,535	2,089,008	393,803	—	—	—	—
Less: Accumulated depreciation	7,747,213	—	145,587	719,970	1,309,919	1,716,539	2,633,220	534,281	—	—	—	—
Other capital assets less reserves	8,059,002	—	221,995	546,579	875,151	1,233,760	2,663,572	850,594	—	—	—	—
Accounts and notes payable	9,619,009	—	161,298	751,197	1,230,189	1,897,836	3,070,981	842,976	—	—	—	—
Other current liabilities	10,218,740	—	161,298	751,197	1,230,189	1,897,836	3,070,981	842,976	—	—	—	—
Mortgages, notes, and bonds payable in one year or more	10,218,740	—	161,298	751,197	1,230,189	1,897,836	3,070,981	842,976	—	—	—	—
Net worth	2,369,502	—	88,601	305,089	448,478	544,886	1,614,540	405,158	—	—	—	—
Cost of property used for investment credit	41,417,558	—	2,293,991	3,222,706	4,295,718	6,047,214	10,385,511	3,553,440	—	—	—	—
Total receipts	39,220,568	—	1,267,694	2,262,752	3,462,752	4,836,956	8,322,581	3,581,102	—	—	—	—
Business receipts	29,140,482	—	1,267,694	1,823,397	2,472,957	3,462,752	7,532,547	2,882,007	—	—	—	—
Cost of sales and operations	870,132	—	83,161	110,456	122,675	120,794	194,981	36,437	—	—	—	—
Taxes paid	1,251,690	—	34,662	88,495	166,061	219,068	374,477	103,255	—	—	—	—
Interest paid	1,650,333	—	113,791	220,309	280,309	316,758	398,630	81,778	—	—	—	—
Depreciation	144,965	—	16,062	9,847	14,668	18,727	26,060	8,541	—	—	—	—
Pension, profit-sharing, stock bonus, and annuity plans	80,132	—	8,892	4,909	7,313	8,657	19,480	3,948	—	—	—	—
Employee benefit programs	1,296,962	—	40,515	146,841	210,660	262,912	278,480	35,300	—	—	—	—
Net income (less deficit)	2,202,174	—	147,314	255,959	345,902	372,230	515,474	148,675	—	—	—	—
Income subject to tax	1,386,949	—	69,975	127,740	207,623	234,735	322,660	102,882	—	—	—	—
Income tax, total	485,590	—	14,463	29,694	52,839	71,420	126,988	45,764	—	—	—	—
Additional tax for tax preferences	640	—	—	84	63	177	177	92	—	—	—	—
Foreign tax credit	13,210	—	—	—	—	—	—	—	—	—	—	—
Investment credit	100,232	—	3,800	8,598	15,926	23,024	25,539	4,690	—	—	—	—
Nonrefundable energy credit before limitation	40	—	—	—	—	—	—	—	—	—	—	—
Work incentive (WIN) credit	31,117	—	2,286	6,349	3,269	8,180	7,509	2,305	—	—	—	—
Jobs credit	251,428	—	12,282	24,237	42,332	20,412	55,984	17,233	—	—	—	—
Distributions to stockholders except in own stock	—	—	—	—	—	—	—	—	—	—	—	—

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 1.6—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division, item	Size of total assets												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Total returns of active corporations													
Zero assets													
\$1 under \$100,000													
\$100,000 under \$250,000													
\$250,000 under \$500,000													
\$500,000 under \$1,000,000													
\$1,000,000 under \$5,000,000													
\$5,000,000 under \$10,000,000													
\$10,000,000 under \$25,000,000													
\$25,000,000 under \$50,000,000													
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\$100,000,000 under \$250,000,000													
\$250,000,000 under \$500,000,000													
\$500,000,000 under \$1,000,000,000													
\$1,000,000,000 under \$2,500,000,000													
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# RETURNS OF ACTIVE CORPORATIONS

Table 1.6 — Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Total Assets—Continued

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Industrial division, item	Size of total assets												
	Total returns of active corporations	Zero assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 under \$500,000,000
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Manufacturing													
Number of returns.....	223,471	3,633											554
Total assets.....	1,308,673,807	83,066	43,777	30,662	24,119	28,019	32,354,328	4,641	2,878	1,009	635	478	980,252,072
Notes and accounts receivable, net.....	306,964,685	770,371	2,047,874	2,955,409	17,130,227	59,081,129	8,127,518	10,825,702	10,825,702	7,987,018	15,542,956	15,542,956	228,096,502
Inventories.....	223,353,223	535,657	1,345,536	2,458,409	3,983,141	16,002,449	9,170,575	12,568,643	12,568,643	8,980,099	11,095,457	11,095,457	140,439,647
Cash, Government obligations, and other current assets.....	118,007,080	611,747	1,188,451	1,619,165	11,707,605	4,899,326	3,733,022	3,733,022	3,733,022	3,466,434	4,770,685	4,770,685	80,806,478
Other investments and loans.....	18,546,772	176,208	308,022	451,661	7,652,201	2,889,332	3,133,478	3,133,478	3,133,478	3,455,824	10,234,226	10,234,226	90,478,433
Depreciable assets.....	662,647,897	2,226,919	4,029,906	5,914,299	49,333,132	29,479,834	15,948,964	15,948,964	15,948,964	15,978,964	50,377,407	50,377,407	503,577,407
Less: Accumulated depreciation.....	307,305,415	1,207,214	2,050,473	3,049,715	4,933,132	14,724,369	7,611,279	9,550,102	9,550,102	9,122,768	15,973,237	15,973,237	231,832,365
Other capital assets less reserves.....	47,350,827	81,148	102,703	234,985	1,581,340	849,290	1,134,248	1,134,248	1,134,248	1,160,395	1,283,810	1,283,810	38,066,315
Accounts and notes payable.....	260,412,041	1,044,650	2,141,425	3,323,546	5,077,598	17,659,450	8,939,333	10,937,796	10,937,796	8,383,602	11,775,230	11,775,230	184,336,182
Other current liabilities.....	137,064,919	385,297	723,056	1,066,157	7,207,769	5,840,900	3,153,459	4,406,592	4,406,592	3,643,316	4,563,371	4,563,371	103,214,287
Mortgages, notes, and bonds payable in one year or more.....	237,682,006	509,198	1,066,157	1,743,769	23,690,088	8,460,523	4,595,100	6,421,700	6,421,700	4,853,859	13,604,588	13,604,588	184,194,807
Net worth.....	595,064,083	618,458	2,393,529	3,991,107	26,979,834	25,014,572	14,977,378	20,908,378	20,908,378	17,685,528	21,930,135	21,930,135	443,583,653
Cost of property used for investment credit.....	68,774,327	320,322	702,529	877,744	1,358,273	3,629,539	1,726,149	2,146,219	2,146,219	1,335,240	3,763,917	3,763,917	50,297,344
Total receipts.....	1,836,552,260	10,778,629	19,501,501	26,615,836	41,530,882	134,283,896	66,576,851	82,443,657	82,443,657	67,561,925	110,789,084	110,789,084	1,202,775,573
Business receipts.....	1,773,467,839	10,644,689	19,327,779	26,517,795	41,042,268	132,533,171	65,584,932	80,933,952	80,933,952	65,841,942	110,491,484	110,491,484	1,151,869,357
Cost of sales and operations.....	1,290,204,263	10,714,424	18,605,158	26,517,795	41,042,268	132,533,171	65,584,932	80,933,952	80,933,952	65,841,942	110,491,484	110,491,484	1,151,869,357
Taxes paid.....	48,728,041	384,612	605,159	769,362	1,080,372	3,188,476	1,444,704	1,802,809	1,802,809	1,517,847	4,162,350	4,162,350	74,734,563
Interest paid.....	30,915,600	280,993	191,571	272,382	477,950	1,543,452	535,471	1,069,684	1,069,684	824,563	2,860,266	2,860,266	33,105,446
Depreciation.....	49,059,152	301,860	398,264	546,085	2,424,494	1,252,495	1,567,149	1,567,149	1,567,149	1,207,522	3,156,835	3,156,835	52,439,419
Pension, profit-sharing, stock bonus, and annuity plans.....	21,535,728	166,967	79,072	138,013	235,368	868,908	419,854	548,345	548,345	434,353	1,034,793	1,034,793	16,937,395
Employee benefit programs.....	16,127,862	149,308	57,374	103,570	230,516	721,676	369,033	484,670	484,670	372,085	933,953	933,953	12,060,427
Net income (less deficit).....	113,518,786	45,944	637,779	905,290	6,063,159	6,063,159	3,411,733	4,433,826	4,433,826	4,159,201	7,724,995	7,724,995	80,622,496
Net income.....	120,144,888	584,364	511,009	956,545	2,007,506	7,106,366	3,875,464	5,050,246	5,050,246	4,159,201	7,724,995	7,724,995	80,622,496
Income subject to tax.....	114,374,088	445,391	1,027,407	1,696,913	6,339,913	6,339,913	3,875,464	5,050,246	5,050,246	4,159,201	7,724,995	7,724,995	80,622,496
Income tax, total.....	53,092,051	206,311	294,466	466,824	1,294,466	2,755,923	1,684,169	2,238,159	2,238,159	1,867,448	2,063,906	2,063,906	37,626,894
Additional tax for tax preferences.....	109,356	83	—	—	1	469	1,373	1,373	1,373	718	3,418	3,418	98,123
Foreign tax credit.....	11,654,365	318	—	1,174	326	5,281	20,915	29,775	29,775	54,445	95,067	95,067	11,209,720
Investment credit.....	5,175,795	15,757	33,225	56,298	95,420	260,283	134,648	156,513	156,513	115,739	166,095	166,095	3,854,364
Nonrefundable energy credit before limitation.....	52,649	232	—	1,126	1,226	1,618	728	1,163	1,163	806	1,238	1,238	43,780
Work incentive (WIN) credit.....	12,044	19	274	719	228	1,358	363	434	434	42,862	28,591	28,591	7,858
Jobs credit.....	956,211	6,225	54,879	81,877	125,575	327,529	121,028	94,571	94,571	42,862	28,591	28,591	30,479
Distributions to stockholders except in own stock.....	31,173,451	147,845	50,227	73,853	130,570	564,413	293,565	486,131	486,131	593,052	680,414	680,414	26,243,929
Transportation and Public Utilities													
Number of returns.....	92,686	1,426											240
Total assets.....	597,721,008	51,149	17,898	8,755	6,263	5,378	5,147,908	750	472	150	102	103	533,075,864
Notes and accounts receivable, net.....	1,682,679	2,898,327	3,115,190	4,319,035	11,285,371	8,894,449	1,095,187	7,269,379	5,343,085	7,082,325	16,501,871	16,501,871	35,275,850
Inventories.....	20,185,622	25,044	70,171	113,032	323,375	189,795	219,391	219,391	125,283	253,992	528,402	528,402	18,259,461
Cash, Government obligations, and other current assets.....	34,920,895	37,149	475,508	491,760	1,589,808	678,276	822,446	822,446	610,262	757,812	1,284,486	1,284,486	27,166,706
Other investments and loans.....	51,414,775	110,904	125,906	185,122	213,571	660,256	350,381	641,500	558,287	850,273	1,448,644	1,448,644	46,269,931
Depreciable assets.....	569,615,144	1,538,506	2,850,484	3,804,952	9,837,169	4,426,329	6,196,063	6,196,063	4,381,738	5,791,541	14,781,336	14,781,336	513,590,239
Less: Accumulated depreciation.....	145,858,721	807,628	1,105,406	1,726,462	4,214,479	1,805,729	2,363,379	2,363,379	1,730,369	2,288,863	4,461,511	4,461,511	123,966,418
Other capital assets less reserves.....	11,002,767	36,936	107,586	196,179	479,173	229,095	296,643	296,643	221,872	353,224	595,137	595,137	8,334,502
Accounts and notes payable.....	52,578,971	528,032	795,278	1,109,666	2,730,972	1,145,150	1,208,262	1,208,262	955,300	1,073,441	1,847,591	1,847,591	40,412,682
Other current liabilities.....	63,123,773	137,954	199,102	308,157	932,744	459,201	720,005	720,005	575,895	858,847	1,635,502	1,635,502	36,905,355
Mortgages, notes, and bonds payable in one year or more.....	204,786,763	391,099	726,416	1,217,708	3,428,589	1,366,336	2,340,907	2,340,907	1,629,396	2,276,365	6,150,018	6,150,018	19,343,178
Net worth.....	241,160,442	268,505	778,719	992,855	1,298,452	3,503,863	1,587,777	2,534,479	2,534,479	1,706,404	2,468,542	2,468,542	28,325,171
Cost of property used for investment credit.....	67,580,306	247,556	479,606	674,955	1,353,352	599,593	830,616	830,616	513,866	660,707	1,430,347	1,430,347	60,344,507
Total receipts.....	372,898,491	6,101,469	7,486,087	8,343,890	16,573,991	8,897,541	9,041,114	9,041,114	8,820,933	8,820,933	12,510,668	12,510,668	293,356,962
Business receipts.....	360,687,424	6,101,469	7,486,087	8,343,890	16,573,991	8,897,541	9,041,114	9,041,114	8,820,933	8,820,933	12,510,668	12,510,668	293,356,962
Cost of sales and operations.....	227,211,452	633,940	4,082,078	5,454,103	10,300,527	6,678,490	5,853,334	5,853,334	4,231,706	5,996,052	11,955,308	11,955,308	273,867,252
Taxes paid.....	20,687,391	28,635	165,152	380,702	1,217,708	219,478	267,604	267,604	236,713	236,713	350,456	350,456	19,343,178
Interest paid.....	18,142,886	35,151	60,762	103,405	387,557	186,355	226,338	226,338	186,355	226,338	350,456	350,456	15,930,259
Depreciation.....	30,407,913	191,162	269,906	387,756	857,193	356,749	465,158	465,158	334,172	416,689	859,215	859,215	25,830,228
Pension, profit-sharing, stock bonus, and annuity plans.....	6,407,293	6,455	9,329	15,557	125,507	57,557	104,969	104,969	54,568	107,654	171,733	171,733	5,644,871
Employee benefit programs.....													



# RETURNS OF ACTIVE CORPORATIONS

Table 1.6 — Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Total Assets—Continued

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Industrial division, item	Size of total assets												
	Total returns of corporations	Zero assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Wholesale and Retail Trade													
Number of returns.....	721,443	17,602	330,966	162,030	91,849	51,063	5,259	2,250	671	365	209	135	
Total assets.....	486,146,204	13,438,324	26,393,112	32,696,387	41,555,157	100,189,091	35,786,048	33,988,250	23,223,726	25,741,618	31,806,359	121,328,133	
Notes and accounts receivable, net.....	127,457,934	4,738,073	6,889,331	16,644,816	16,644,816	20,000,033	12,324,313	11,475,286	7,121,548	7,408,551	8,705,233	28,510,944	
Inventories.....	158,135,586	9,071,255	12,324,313	16,644,816	16,644,816	20,000,033	12,324,313	11,475,286	7,121,548	7,408,551	8,705,233	28,510,944	
Cash, Government obligations, and other current assets.....	46,991,932	4,155,142	4,973,463	9,973,463	9,973,463	11,914,320	3,268,290	3,164,303	2,270,561	2,350,495	2,958,565	7,254,698	
Other investments and loans.....	43,502,793	1,283,582	1,476,470	1,476,470	1,476,470	1,476,470	1,476,470	1,476,470	1,476,470	1,476,470	1,476,470	1,476,470	
Depreciable assets.....	145,203,300	6,042,137	9,968,129	10,640,101	12,086,953	26,494,324	9,760,381	8,762,372	6,314,290	6,314,290	6,314,290	20,513,851	
Less: Accumulated depreciation.....	59,188,223	2,920,182	4,477,237	4,477,237	4,477,237	4,477,237	4,477,237	4,477,237	4,477,237	4,477,237	4,477,237	13,476,808	
Other capital assets less reserves.....	12,877,265	314,071	778,257	941,991	1,134,387	2,493,201	1,554,075	907,864	635,092	763,199	1,164,409	2,690,719	
Accounts and notes payable.....	17,767,156	4,179,730	7,795,248	11,256,638	16,234,648	43,478,411	15,174,088	13,849,825	8,602,249	9,024,932	9,490,444	38,680,942	
Other current liabilities.....	41,004,863	1,080,041	1,920,810	2,430,115	3,019,887	7,756,244	2,726,080	2,734,336	1,989,676	2,331,235	3,353,168	11,653,770	
Mortgages, notes, and bonds payable in one year or more.....	71,427,941	2,307,922	9,469,803	4,670,146	4,670,146	4,670,146	4,670,146	4,670,146	4,670,146	4,670,146	4,670,146	4,670,146	
Net worth.....	17,397,596	3,007,922	9,469,803	9,469,803	11,807,693	15,002,927	34,043,812	12,005,657	11,986,281	8,712,423	9,428,574	45,113,628	
Cost of property used for investment credit.....	17,774,773	899,687	1,391,072	1,391,072	1,391,072	1,391,072	1,391,072	1,391,072	1,391,072	1,391,072	1,391,072	1,391,072	
Total receipts.....	1,461,404,863	8,307,489	61,712,232	89,634,283	108,093,608	141,344,335	338,722,568	109,718,779	93,340,956	62,323,474	68,944,694	82,707,095	
Business receipts.....	1,436,428,884	8,045,682	60,895,779	88,482,744	106,691,801	139,368,919	333,635,521	107,917,898	91,557,023	61,009,964	67,538,539	81,020,308	
Cost of sales and operations.....	1,134,768,864	6,245,902	40,855,198	60,722,761	80,831,568	109,846,998	271,705,167	88,096,617	74,570,098	49,463,292	55,466,791	65,231,033	
Taxes paid.....	19,782,132	127,809	1,326,461	1,833,995	1,786,294	1,937,891	4,036,844	1,304,942	1,119,311	806,969	914,777	977,283	
Interest paid.....	13,677,333	72,441	357,121	643,107	882,098	1,155,488	2,537,432	964,320	842,599	620,326	756,121	859,404	
Depreciation.....	13,268,846	92,598	730,943	1,037,058	1,035,469	1,155,488	2,537,432	964,320	842,599	620,326	756,121	859,404	
Pension, profit-sharing, stock bonus, and annuity plans.....	4,415,214	12,490	148,147	218,778	335,468	452,412	997,908	239,479	239,479	152,074	182,411	215,356	
Employee benefit programs.....	3,182,625	11,026	99,050	160,612	216,967	277,208	656,898	202,184	182,384	153,315	161,219	214,074	
Net income (less deficit).....	35,753,358	142,308	280,776	2,246,034	2,246,034	2,899,217	7,392,145	2,838,202	2,895,220	2,025,229	2,153,427	2,398,493	
Income.....	41,432,239	352,738	1,613,091	2,614,937	2,917,070	3,398,877	8,334,579	3,143,753	3,150,782	2,192,198	2,319,741	2,539,724	
Income subject to tax.....	30,594,403	252,738	1,798,318	2,152,768	2,627,251	3,067,899	6,678,899	2,885,032	2,189,031	1,472,680	1,567,236	1,836,949	
Income tax, total.....	12,479,414	110,105	1,748,841	403,894	575,765	849,234	2,756,188	1,092,245	1,023,916	691,193	739,011	868,870	
Additional tax for tax preferences.....	6,534	—	—	—	—	—	—	—	—	—	—	—	
Foreign tax credit.....	594,197	1,685	—	—	—	—	—	—	—	—	—	—	
Investment credit.....	1,087,793	10,047	28,247	55,904	66,196	83,481	200,742	72,189	71,297	53,505	56,331	73,053	
Nonrefundable energy credit before limitation.....	4,706	—	—	—	—	—	—	—	—	—	—	—	
Work incentive (WIN) credit.....	3,378	—	—	—	—	—	—	—	—	—	—	—	
Jobs credit.....	860,923	2,477	44,328	91,962	117,864	126,299	289,560	79,460	54,644	22,899	14,471	9,625	
Distributions to stockholders except in own stock.....	7,272,502	176,372	383,133	279,112	250,395	325,276	939,533	481,643	662,563	428,578	515,855	500,622	
Finance, Insurance, and Real Estate													
Number of returns.....	454,301	23,066	220,037	86,569	47,091	27,639	23,754	5,604	7,944	4,552	2,784	1,827	
Total assets.....	3,249,397,057	7,654,175	14,321,821	16,542,681	19,299,998	23,754	49,555,752	40,487,538	130,234,198	160,435,362	194,908,613	279,913,460	
Notes and accounts receivable, net.....	896,610,016	68,163	1,718,829	2,232,175	2,304,656	3,333,132	8,728,906	13,066,065	50,976,351	58,951,908	54,386,485	55,210,911	
Inventories.....	6,195,753	68,163	122,985	235,664	333,132	377,616	10,748,629	11,412,581	38,124,337	42,348,793	45,443,649	58,635,455	
Cash, Government obligations, and other current assets.....	766,558,059	1,832,669	3,110,510	3,239,966	3,239,966	3,421,190	11,137,082	8,929,108	6,029,247	31,450,102	36,545,438	45,443,649	
Other investments and loans.....	1,285,415,357	1,064,384	2,356,372	8,073,237	8,073,237	8,812,216	17,114,507	6,029,247	7,842,103	6,786,319	8,160,259	10,133,921	
Depreciable assets.....	125,555,463	4,108,699	7,207,421	23,313,363	3,639,306	3,704,774	5,963,039	1,799,339	2,141,534	1,769,676	1,419,133	1,774,152	
Less: Accumulated depreciation.....	38,597,918	2,115,541	2,115,541	2,115,541	2,115,541	2,115,541	2,115,541	2,115,541	2,115,541	2,115,541	2,115,541	2,115,541	
Other capital assets less reserves.....	29,490,557	1,382,366	2,621,151	2,795,612	2,795,612	3,096,322	5,526,776	1,721,482	1,973,030	1,485,229	1,560,609	1,981,353	
Accounts and notes payable.....	206,817,804	1,291,563	2,249,239	2,927,664	3,096,322	3,692,895	8,797,302	4,297,386	7,433,157	9,349,717	10,729,436	13,735,967	
Other current liabilities.....	2,046,953,912	481,105	845,128	810,592	1,004,402	1,193,575	20,116,376	20,116,376	88,060,810	115,604,082	141,248,736	196,294,788	
Mortgages, notes, and bonds payable in one year or more.....	183,378,965	1,889,944	3,694,900	4,568,503	8,202,651	8,202,651	15,542,922	6,191,976	8,191,976	7,590,018	9,249,454	12,389,555	
Net worth.....	365,539,650	2,441,518	5,543,238	6,355,796	6,355,796	6,355,796	13,219,213	7,140,075	20,159,813	20,096,403	23,020,380	35,817,610	
Cost of property used for investment credit.....	9,632,978	206,280	231,009	161,866	161,866	218,111	395,214	161,206	327,865	316,301	315,012	503,425	
Total receipts.....	474,690,489	9,681,920	7,429,357	7,429,357	7,429,357	7,429,357	14,532,610	7,429,357	14,532,610	18,715,194	23,433,414	35,648,613	
Business receipts.....	234,576,853	4,336,817	8,082,902	5,133,992	4,395,544	3,872,230	8,645,472	4,395,544	6,479,240	6,663,862	8,638,311	14,426,195	
Cost of sales and operations.....	111,618,648	343,659	1,551,630	1,777,373	1,777,373	1,777,373	2,882,096	1,959,081	2,759,471	3,022,918	4,229,463	6,469,755	
Taxes paid.....	12,338,847	392,391	1,349,954	4,484,845	4,484,845	4,484,845	8,344,943	3,101,991	5,246,659	488,321	531,338	810,654	
Interest paid.....	118,850,328	5,071,747	210,262	386,768	507,376	637,903	1,699,867	1,374,223	4,469,182	6,097,840	7,822,451	11,373,327	
Depreciation.....	9,349,094	155,695	275,066	345,808	361,303	384,432	725,693	290,348	394,217	365,931	345,074	517,309	
Pension, profit-sharing, stock bonus, and annuity plans.....	3,899,204	17,077	46,249	75,945	87,876	80,684	130,652	45,551	110,373	131,320	154,653	246,151	
Employee benefit programs.....	1,689,368	13,109	28,862	33,564	27,867	31,128	53,181	26,320	71,966	76,763	84,282	137,097	
Net income (less deficit).....	33,873,934	293,374	428,214	780,570	826,900	708,723	1,365,129	623,901	1,624,546	1,556,876	1,863,055	2,873,504	
Income.....	38,585,831	393,644	881,973	1,060,553	1,060,553	965,400	2,059,410	906,835	2,006,476	1,826,941	2,057,017	3,260,943	
Income subject to tax.....	26,968,842	232,559	494,343	758,703	777,373	722,133	1,417,246	607,133	1,417,246	1,248,314	1,324,982	1,934,119	
Income tax, total.....	11,920,213	92,315	99,266										



# RETURNS OF ACTIVE CORPORATIONS

Table 1.6—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division, item	Total returns of active corporations	Zero assets	Size of total assets												\$250,000,000 or more
			\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more		
Services															
Number of returns.....	560,016	17,502	411,645	71,460	29,637	15,546	12,057	1,191	604	189	99	42	44		
Total assets.....	134,379,134	17,502	11,657,806	1,159,049	10,196,661	10,712,380	23,835,838	8,270,812	9,054,855	6,537,966	8,788,431	6,469,322	28,696,213		
Notes and accounts receivable, net.....	22,591,412	—	1,402,679	1,610,488	1,784,465	1,748,348	3,805,637	1,393,061	1,771,208	1,299,928	1,418,084	1,493,964	4,865,550		
Inventory.....	6,468,683	—	557,517	505,059	509,198	481,476	1,087,542	390,133	400,585	284,883	175,540	382,595	1,894,055		
Cash, Government obligations, and other current assets.....	22,894,753	—	2,274,254	2,590,812	1,798,053	1,739,007	3,468,969	1,194,778	1,232,588	965,706	830,229	1,021,444	4,748,814		
Other investments and loans.....	16,723,550	—	1,148,707	1,033,809	797,031	772,192	1,975,531	909,481	1,132,588	1,052,074	1,327,856	1,253,827	5,320,486		
Depreciable assets.....	88,863,856	—	2,993,000	7,987,211	7,301,898	7,915,032	18,041,160	5,278,119	5,665,706	3,400,253	3,751,716	3,051,509	14,687,803		
Less: Accumulated depreciation.....	35,061,076	—	4,949,613	3,874,363	3,218,599	3,218,599	8,641,172	2,175,969	2,095,376	1,128,865	1,477,626	1,340,249	4,811,386		
Other capital assets less reserves.....	7,440,605	—	404,200	733,417	784,442	879,588	1,513,404	494,762	513,181	396,315	432,476	255,007	1,033,815		
Accounts and notes payable.....	28,143,976	—	2,629,503	2,189,531	2,323,740	2,323,740	5,918,832	2,111,083	2,154,432	1,370,064	1,244,727	1,498,889	4,192,611		
Other current liabilities.....	16,819,329	—	1,709,907	1,043,462	1,095,124	1,043,462	3,271,406	873,104	872,489	730,446	707,481	778,091	2,592,343		
Mortgages, notes, and bonds payable in one year or more.....	38,078,768	—	3,068,758	3,365,570	2,985,212	3,130,304	8,153,888	2,092,187	2,383,601	2,046,327	2,521,068	1,967,528	6,967,574		
Net worth.....	11,724,420	96,785	1,521,368	1,094,112	887,464	938,571	2,110,618	754,793	775,017	416,302	406,433	395,833	2,327,004		
Cost of property used for investment credit.....	210,696,073	—	54,040,707	27,676,603	18,571,758	18,491,104	29,131,155	9,802,005	9,781,107	7,236,861	7,117,512	7,346,870	19,952,820		
Total receipts.....	201,678,049	1,280,852	52,215,697	27,121,942	18,104,959	17,820,861	27,498,138	9,208,642	9,141,127	6,745,891	6,536,262	6,910,623	17,993,047		
Cost of sales and operations.....	100,355,222	689,540	20,183,248	12,191,325	9,496,643	10,535,098	15,830,138	5,325,314	5,363,278	3,785,202	3,990,978	4,026,851	8,733,926		
Taxes paid.....	7,353,972	63,959	1,772,462	961,192	712,123	665,307	1,075,161	313,052	301,481	288,655	300,233	236,921	634,135		
Interest paid.....	4,752,292	70,111	302,573	302,106	318,637	383,076	1,012,060	337,052	345,686	209,474	243,552	189,391	1,062,555		
Depreciation.....	10,354,225	109,985	1,089,574	816,370	701,111	777,669	1,821,333	677,709	675,048	360,987	325,511	350,270	2,648,646		
Pension, profit-sharing, stock bonus, and annuity plans.....	3,940,704	7,191	2,103,330	675,289	228,575	207,671	257,278	63,533	105,120	63,278	66,839	52,192	110,408		
Employee benefit programs.....	1,338,342	4,469	345,762	167,698	97,788	116,030	162,507	53,392	40,891	47,637	48,867	66,696	161,605		
Net income (less deficit).....	7,666,125	46,346	7,333,753	997,366	689,039	687,645	926,345	449,245	406,434	447,334	401,532	533,520	1,347,570		
Net income.....	10,994,355	161,060	1,964,884	1,374,177	947,082	907,185	1,602,378	579,235	587,432	494,305	442,163	566,549	1,367,905		
Income subject to tax.....	8,589,087	86,267	1,282,501	1,025,469	690,754	672,342	1,229,699	480,892	489,797	422,524	341,858	541,453	1,325,531		
Income tax, total.....	3,190,125	33,689	272,966	248,119	195,074	231,171	517,572	219,924	228,389	197,895	163,214	257,814	624,295		
Additional tax for tax preferences.....	4,306	2	—	—	—	—	483	240	285	191	592	337	1,665		
Foreign tax credit.....	—	73	328	1,750	90	40,969	4,169	20,787	6,417	7,157	17,297	33,602	58,779		
Investment credit.....	500,305	5,752	52,345	44,614	41,343	40,369	72,561	23,671	25,900	18,346	18,620	23,330	133,516		
Nonrefundable energy credit before limitation.....	242	—	—	13	3	180	7	—	—	14	9	—	9		
Work incentive (WIN) credit.....	—	—	90	130	—	—	400	7	—	—	—	—	—		
Jobs credit.....	386,149	1,621	79,998	62,469	57,710	81,024	76,303	17,618	67	32	52	26	27		
Distributions to stockholders except in own stock.....	1,490,937	71,884	256,873	93,035	85,887	68,191	218,069	72,173	89,573	79,113	78,661	92,897	284,581		
Nature of Business Not Allocable															
Number of returns.....	7,110	—	4,221	1,256	691	594	262	31	—	—	—	—	—		
Total assets.....	2,013,978	—	165,832	214,859	228,998	398,633	593,785	196,751	—	—	—	—	—		
Notes and accounts receivable, net.....	405,628	—	31,342	26,327	61,954	69,078	127,261	38,030	—	—	—	—	—		
Inventory.....	469,562	—	43,149	54,059	37,281	106,630	149,745	31,094	—	—	—	—	—		
Cash, Government obligations, and other current assets.....	361,980	—	46,322	46,087	30,602	86,481	104,135	25,123	—	—	—	—	—		
Other investments and loans.....	185,680	—	8,345	10,261	6,135	34,102	77,354	14,568	—	—	—	—	—		
Depreciable assets.....	795,195	—	51,351	100,934	97,003	158,754	186,315	91,550	—	—	—	—	—		
Less: Accumulated depreciation.....	350,719	—	26,405	40,988	28,604	80,768	94,228	35,552	—	—	—	—	—		
Other capital assets less reserves.....	93,279	—	9,590	16,932	15,552	11,210	15,129	21,181	—	—	—	—	—		
Accounts and notes payable.....	664,379	—	46,165	71,209	65,560	144,727	199,040	55,459	—	—	—	—	—		
Other current liabilities.....	304,814	—	28,607	31,712	38,090	73,723	54,235	41,878	—	—	—	—	—		
Mortgages, notes, and bonds payable in one year or more.....	701,432	—	42,428	89,585	81,541	92,762	244,890	81,302	—	—	—	—	—		
Net worth.....	103,786	—	8,991	18,407	18,093	20,088	14,453	13,944	—	—	—	—	—		
Cost of property used for investment credit.....	5,616,660	—	725,353	991,934	917,665	1,469,649	1,469,649	515,019	—	—	—	—	—		
Total receipts.....	5,483,247	—	694,807	884,449	505,524	900,041	1,440,530	492,773	—	—	—	—	—		
Cost of sales and operations.....	4,047,398	—	413,490	794,140	388,423	633,138	1,086,763	366,981	—	—	—	—	—		
Taxes paid.....	97,465	—	17,430	15,776	8,639	16,713	22,941	8,289	—	—	—	—	—		
Interest paid.....	52,457	—	4,203	12,445	5,688	10,653	12,575	6,801	—	—	—	—	—		
Depreciation.....	78,445	—	8,065	12,445	7,902	16,602	15,642	11,954	—	—	—	—	—		
Pension, profit-sharing, stock bonus, and annuity plans.....	50,494	—	23,595	4,447	2,025	6,112	7,264	2,856	—	—	—	—	—		
Employee benefit programs.....	17,142	—	1,455	3,099	592	2,233	3,836	3,711	—	—	—	—	—		
Net income (less deficit).....	164,445	—	24,667	12,677	5,992	27,459	56,154	22,463	—	—	—	—	—		
Net income.....	215,063	—	31,389	28,398	20,324	38,599	56,966	22,463	—	—	—	—	—		
Income subject to tax.....	165,545	—	20,300	13,006	12,601	32,724	51,325	20,170	—	—	—	—	—		
Income tax, total.....	61,168	—	3,995	2,700	3,281	12,690	22,152	9,203	—	—	—	—	—		
Additional tax for tax preferences.....	—	—	—	—	—	—	—	—	—	—	—	—	—		
Foreign tax credit.....	—	—	—	—	—	—	—	—	—	—	—	—	—		
Investment credit.....	5,882	—	418	376	493	1,092	1,092	1,207	—	—	—	—	—		
Nonrefundable energy credit before limitation.....	—	—	—	—	—	—	—	—	—	—	—	—	—		
Work incentive (WIN) credit.....	—	—	—	—	—	—	—	—	—	—	—	—	—		
Jobs credit.....	6,063	—	1,041	497	516	1,086	1,675	1,091	—	—	—	—	—		
Distributions to stockholders except in own stock.....	16,848	—	—	6,728	2,063	2,549	2,670	1,140	—	—	—	—	—		

\*Estimates should be used with caution because of the small number of sample returns on which it is based

\*\*Identifies size classes for which data were deleted to avoid disclosure of information for specific corporations.

Less than \$500 per return.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 1.7 — Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Business Receipts

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division, item	Size of business receipts												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
		Under \$25,000 <sup>1</sup>	\$25,000-\$50,000	\$50,000-\$100,000	\$100,000-\$500,000	\$500,000-\$1,000,000	\$1,000,000-\$5,000,000	\$5,000,000-\$10,000,000	\$10,000,000-\$50,000,000	\$50,000,000-\$100,000,000	\$100,000,000-\$250,000,000	\$250,000,000-\$500,000,000	\$500,000,000 or more
<b>All Industries<sup>2</sup></b>													
Number of returns	2,376,779	498,678	196,790	275,322	804,120	248,838	274,043	42,012	30,479	3,035	1,838	749	875
Total assets	6,014,452,000	36,638,678	17,126,820	29,522,845	145,064,587	129,756,670	540,477,732	296,195,958	717,384,774	334,282,516	558,012,902	433,332,225	2,776,656,345
Notes and accounts receivable, net	1,551,126,400	4,008,017	1,800,282	3,250,012	25,430,827	35,147,876	176,634,613	76,396,771	157,923,254	72,008,122	117,234,027	117,234,027	728,532,214
Inventories	442,652,920	1,482,920	675,963	1,563,924	16,065,334	16,437,351	75,671,614	29,579,817	59,178,750	21,353,810	28,520,783	25,489,142	184,770,680
Cash, Government obligations, and other current assets	1,023,302,183	7,142,119	3,084,853	5,512,942	27,400,349	28,100,968	116,024,458	54,827,989	125,195,202	62,515,114	111,816,502	86,460,460	394,909,425
Other investments and loans	1,649,127,716	7,964,823	3,083,853	4,623,891	18,230,755	15,300,421	104,804,519	97,194,956	296,388,347	135,288,742	187,296,077	112,328,312	676,623,221
Depreciable assets	1,696,212,705	11,859,212	8,291,694	15,411,985	70,447,549	45,326,352	116,847,981	50,641,108	111,698,190	51,912,585	92,351,906	109,561,654	1,011,257,801
Less: Accumulated depreciation	631,320,855	4,311,453	3,368,596	8,407,798	20,431,804	19,689,664	51,635,458	22,600,123	45,815,772	19,666,454	32,331,906	35,894,384	358,523,951
Other capital assets less reserves	130,326,937	6,495,200	2,780,551	3,760,943	12,616,326	5,701,304	11,670,160	5,680,338	12,088,621	5,130,307	7,088,847	7,007,611	49,695,312
Accounts and notes payable	784,405,448	7,423,471	2,761,700	5,153,163	31,092,343	29,324,023	93,442,942	48,735,158	98,935,735	34,931,016	58,185,472	38,556,266	338,483,110
Other current liabilities	2,335,780,244	21,412,253	8,635,033	17,301,730	19,047,980	39,141,806	251,845,610	149,945,885	372,591,880	174,548,752	298,957,498	187,593,780	827,179,546
Mortgages, notes, and bonds payable in one year or more	1,780,536,053	9,972,760	4,946,363	8,424,408	35,989,015	22,123,123	54,743,031	25,100,035	61,221,701	29,803,951	47,169,567	56,611,413	434,178,396
Net worth	1,494,756,856	9,242,262	5,878,600	9,682,542	43,510,492	33,465,427	117,050,584	60,745,348	149,624,292	69,239,707	106,771,861	96,155,968	793,308,333
Cost of property used for investment credit	189,977,419	1,195,860	619,397	1,192,346	8,155,055	5,452,842	14,235,780	6,074,053	12,973,877	5,555,690	11,847,452	12,110,404	110,453,461
Total receipts	4,714,602,615	5,506,488	7,634,106	21,178,844	198,015,339	177,958,497	599,757,089	296,300,740	595,182,413	214,932,124	287,267,076	2,052,926,719	136,019,699
Business receipts	4,353,704,519	2,539,558	5,760,285	17,820,792	186,427,559	168,651,996	554,320,957	276,515,076	545,985,493	192,755,053	249,837,848	2,414,334,788	1,911,031,112
Cost of sales and operations	3,113,421,507	1,118,794	2,314,087	7,776,261	98,120,449	106,748,518	403,389,704	212,463,575	420,865,900	144,043,561	180,041,976	1,728,888,947	1,360,806,847
Taxes paid	116,155,070	478,329	475,555	984,673	6,706,568	4,888,820	12,833,194	5,410,258	14,729,818	4,263,922	6,678,192	7,691,094	55,912,847
Depreciation	192,403,316	699,793	461,951	1,143,126	6,085,774	4,602,681	10,705,844	4,394,585	8,322,261	3,088,076	7,148,144	7,922,482	66,223,221
Pension, profit-sharing, stock bonus, and annuity plans	41,825,415	48,393	27,724	143,120	2,459,546	1,404,786	13,186,347	4,350,347	1,230,750	2,237,850	2,011,335	2,097,964	25,077,007
Employee benefit programs	27,019,996	24,540	23,386	74,139	663,325	685,475	2,901,366	1,034,552	2,107,646	1,556,994	1,644,985	1,644,985	15,941,991
Net income (less deficit)	246,867,473	1,800,000	144,673	1,751,211	6,657,365	5,677,590	20,657,360	10,653,290	25,016,892	10,444,548	13,985,022	139,020,912	142,142,449
Net income	274,519,721	1,005,129	934,989	1,978,118	11,178,614	8,143,194	32,123,123	12,416,615	22,233,332	11,852,448	16,851,037	14,502,226	142,142,449
Income subject to tax	239,631,773	592,525	538,498	1,179,631	7,277,032	5,735,588	19,127,056	9,828,235	22,233,332	9,660,462	14,251,124	13,187,633	136,019,699
Income tax, total	107,888,445	156,740	120,691	283,404	1,795,253	1,628,826	7,189,993	4,306,923	10,306,868	4,551,124	6,740,328	6,257,980	64,532,318
Additional tax for tax preferences	340,519	1,381	646	3,342	17,716	5,667	32,225	23,718	53,028	19,748	39,390	21,908	137,078
Foreign tax credit	26,357,629	*17,656	*128	303	3,980	3,980	45,601	234,737	209,989	209,843	422,437	516,306	24,906,548
Nonrefundable energy credit before limitation	12,897,172	13,352	8,791	33,462	296,891	269,547	826,008	362,507	801,001	362,203	716,428	634,599	8,172,353
Work incentive (WIN) credit	61,955	—	—	—	—	—	1,953	1,728	4,039	1,352	3,378	4,325	44,378
Jobs credit	18,469	—	—	—	—	—	3,007	813	2,517	354	82,912	36,064	48,893
Distributions to stockholders except in own stock	30,933,915	635,118	7,015	408,908	295,771	321,050	1,097,485	460,425	617,543	102,564	82,912	4,319,393	43,633,132
<b>Agriculture, Forestry, and Fishing</b>													
Number of returns	69,971	14,981	6,494	10,008	27,824	5,927	3,894	524	371	40	40	8	8
Total assets	32,904,622	1,495,677	1,267,734	2,246,625	9,222,710	3,730,593	5,871,228	1,981,250	2,817,601	1,668,390	1,668,390	2,582,812	316,171
Notes and accounts receivable, net	3,000,877	78,695	49,392	96,022	391,873	247,732	744,922	339,469	389,024	379,579	379,579	316,171	316,171
Inventories	3,769,408	58,736	53,256	106,638	578,270	410,359	775,240	396,014	676,624	256,534	256,534	457,738	457,738
Cash, Government obligations, and other current assets	3,091,091	81,591	94,276	180,961	794,324	350,776	699,843	273,115	266,477	173,058	173,058	173,058	173,058
Other investments and loans	3,607,097	124,665	93,010	200,061	811,478	350,285	536,658	177,719	419,241	324,057	324,057	569,923	569,923
Depreciable assets	18,476,272	598,681	538,679	1,088,358	5,984,393	2,415,543	3,551,170	985,174	1,317,948	722,084	722,084	1,274,251	1,274,251
Less: Accumulated depreciation	8,241,990	230,043	219,083	471,123	2,624,208	1,103,273	1,589,532	437,300	612,618	329,650	329,650	592,160	592,160
Other capital assets less reserves	7,747,213	707,235	590,103	953,669	2,895,660	1,242,870	1,960,937	596,352	819,761	444,761	444,761	517,266	517,266
Accounts and notes payable	8,087,102	223,031	149,558	236,466	1,814,600	904,770	2,000,330	690,769	1,189,956	350,145	350,145	232,800	232,800
Other current liabilities	1,679,091	48,293	28,278	32,733	223,359	1,164,669	373,742	194,955	183,945	236,082	236,082	433,307	433,307
Mortgages, notes, and bonds payable in one year or more	9,619,740	387,203	492,108	620,632	3,171,512	1,298,462	1,767,131	504,820	621,874	321,870	321,870	1,026,522	1,026,522
Net worth	10,218,791	409,098	477,051	1,100,847	3,007,062	1,071,430	1,300,124	524,096	635,311	664,291	664,291	1,177,802	1,177,802
Cost of property used for investment credit	2,369,502	72,769	29,944	142,045	834,366	356,148	461,892	100,093	151,587	95,326	95,326	95,326	95,326
Total receipts	41,417,558	287,443	327,398	997,980	6,800,575	4,269,003	8,683,008	3,755,826	8,673,765	3,281,985	3,281,985	6,150,576	6,150,576
Business receipts	39,222,456	181,839	236,430	737,888	6,245,625	3,998,722	8,246,802	3,665,184	8,743,140	3,500,017	3,500,017	6,038,810	6,038,810
Cost of sales and operations	29,140,482	87,042	104,679	418,447	3,440,847	2,556,715	6,176,938	2,967,656	5,734,415	2,638,472	2,638,472	4,995,266	4,995,266
Taxes paid	870,132	22,714	16,799	39,905	238,675	112,796	176,098	50,121	66,968	50,121	50,121	102,876	102,876
Depreciation	1,251,690	35,278	38,220	71,411	358,757	161,131	261,908	75,779	120,348	50,272	50,272	78,421	78,421
Pension, profit-sharing, stock bonus, and annuity plans	144,965	285	*162	*148	2,078	29,785	306,758	70,401	113,309	74,774	74,774	74,269	74,269
Employee benefit programs	80,121	350	*414	2,412	12,645	9,282	21,943	10,614	13,354	6,050	6,050	31,881	31,881
Net income (less deficit)	1,296,962	63,072	22,155	86,135	304,280	179,938	230,868	146,635	176,760	121,082	121,082	92,182	92,182
Net income	2,202,179	59,081	159,081	59,081	618,317	280,056	418,839	170,708	223,516	121,573	121,573	94,683	94,683
Income subject to tax	1,386,649	22,456	18,971	72,573	372,292	146,353	267,330	142,850	146,470	111,306	111,306	88,348	88,348
Income tax, total	485,590	5,622	3,918	16,874	96,141	42,267	100,897	61,335	85,979	50,438	50,438	42,121	42,121
Additional tax for tax preferences	640	*84	—	—	*141	4	188	*106	*103	35	35	14	14
Foreign tax credit	*13,210	—	—	—	—	—	—	—	—	—	—	—	—
Nonrefundable energy credit before limitation	100,232	576	595	3,590	29,043	13,977	24,123	8,677	8,800	8,562	8,562	4,287	4,287
Work incentive (WIN) credit	40	—	—	—	—	—	13	—	3	1	1	23	23
Jobs credit	17	—	—	—	—	—	8,375	—	3,878	9	9	363	363
Distributions to stockholders except in own stock	31,117	*538	*10,782	22,795	59,820	23,304	33,721	4,360	36,840	21,505	21,505	22,242	22,242

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 1.7 — Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Size of Business Receipts — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division, item	Size of business receipts												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Total returns of active corporations		Under \$25,000*	\$25,000 under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 under \$500,000,000	\$500,000,000 or more	
<b>Mining</b>													
Number of returns.....	19,124	4,254	814	2,088	5,824	2,417	2,822	438	358	42	38	15	14
Total assets.....	97,670,205	1,835,171	116,738	556,633	2,026,896	1,966,563	6,243,527	3,597,689	9,322,905	4,537,966	10,352,173	10,988,008	46,325,936
Notes and accounts receivable, net.....	19,873,645	198,906	26,328	69,948	313,695	291,241	1,139,661	602,801	1,430,597	613,287	1,178,140	2,104,010	11,905,031
Inventories.....	4,739,477	18,540	401	10,296	77,846	69,750	237,568	90,806	335,544	201,883	459,989	652,560	2,584,294
Cash, Government obligations, and other current assets.....	8,833,334	248,516	30,347	103,274	360,529	330,672	927,214	538,272	1,057,580	304,967	660,252	789,431	3,482,278
Other investments and loans.....	20,328,601	400,355	26,239	103,575	179,813	247,814	701,951	299,319	891,420	707,955	1,937,845	1,976,569	12,853,725
Depreciable assets.....	49,333,984	416,840	36,288	169,040	1,126,467	1,294,086	3,966,885	2,347,379	5,695,620	2,765,338	7,106,050	6,209,898	18,198,293
Less: Accumulated depreciation.....	17,980,851	101,876	13,280	44,636	452,605	602,827	1,744,250	1,161,801	2,345,637	1,081,767	2,411,525	2,442,165	5,574,444
Other capital assets less reserves.....	9,842,251	218,724	9,964	138,112	348,366	279,104	778,451	807,424	1,878,389	901,428	900,479	1,420,503	2,161,302
Accounts and notes payable.....	12,134,638	307,291	38,143	143,916	536,774	507,892	1,622,183	1,122,374	1,422,849	630,577	900,708	1,611,213	3,595,634
Other current liabilities.....	14,223,138	99,118	35,831	117,877	117,877	127,111	424,848	222,524	866,140	404,124	920,018	1,010,334	10,410,334
Mortgages, notes, and bonds payable in one year or more.....	20,039,811	144,255	16,218	158,897	509,355	549,834	1,530,082	860,735	2,661,810	1,295,678	3,296,726	3,213,963	5,804,254
Net worth.....	45,057,155	517,164	49,993	117,873	522,575	607,602	2,226,243	1,383,343	3,860,956	1,896,797	4,663,066	4,945,773	24,268,088
Cost of property used for investment credit.....	6,072,733	60,692	12,288	53,512	314,942	215,708	756,154	383,518	864,592	313,058	1,443,891	1,138,437	5,154,943
Total receipts.....	94,706,062	193,014	37,808	204,393	1,598,332	1,855,776	6,428,406	3,227,547	7,598,561	3,202,677	6,527,804	5,717,002	58,116,742
Business receipts.....	90,539,979	182,366	29,070	152,148	1,452,977	1,724,906	5,989,154	3,026,279	7,098,649	2,904,769	6,114,370	5,209,236	56,825,086
Cost of sales and operations.....	44,583,576	15,041	18,358	48,572	791,266	914,832	3,674,771	1,914,867	4,478,194	1,909,978	3,580,008	3,061,765	24,175,924
Taxes paid.....	1,696,068	10,876	1,927	6,338	70,165	68,691	232,041	107,048	248,600	85,387	246,301	177,149	441,544
Depreciation.....	2,180,034	18,033	2,076	14,337	89,575	72,985	203,712	118,407	294,886	158,366	285,423	338,762	337,812
Interest paid.....	3,448,124	20,741	2,315	15,994	106,509	154,592	443,223	228,815	522,282	203,650	456,750	337,812	955,442
Pension, profit-sharing, stock bonus, and annuity plans.....	404,186	3,267	3	7,664	7,664	5,535	36,698	11,561	39,515	26,105	59,093	31,967	99,947
Employee benefit programs.....	27,709,582	182,949	23,075	16,455	4,453	6,110	25,978	11,575	44,952	28,105	59,093	31,967	99,947
Net income (less deficit).....	29,842,865	84,443	4,389	4,389	160,324	160,324	530,252	239,583	694,312	302,139	777,151	485,491	25,883,323
Net income.....	29,842,865	84,443	4,389	4,389	160,324	160,324	530,252	239,583	694,312	302,139	777,151	485,491	25,883,323
Income subject to tax.....	29,842,865	84,443	4,389	4,389	160,324	160,324	530,252	239,583	694,312	302,139	777,151	485,491	25,883,323
Income tax, total.....	71,930	3,974	33,549	99,539	99,539	100,639	433,644	185,542	622,184	305,351	735,607	428,671	26,021,020
Additional tax for tax preferences.....	13,637,808	29,808	8,941	30,540	36,989	36,989	196,320	88,055	298,816	12,072	345,710	210,573	12,469,933
Foreign tax credit.....	77,686	1,287	5	2,063	2,063	2,482	10,951	4,791	9,830	3,431	12,779	14,259	15,575
Investment credit.....	12,512,804	15,047	5	28	28	17	12,367	1,047	45,103	52,650	114,549	137,616	12,134,380
Nonrefundable energy credit before limitation.....	234,247	583	(1)	1,435	5,419	9,079	16,858	41,386	9,440	80	46,601	21,647	46,079
Work incentive (WIN) credit.....	2,354	—	—	—	—	—	39	46	32	—	59	262	1,868
Jobs credit.....	44,138	409	—	3,307	4,666	4,118	16,450	5,883	9,150	869	1,552	502	507
Distributions to stockholders except in own stock.....	2,184,973	12,216	636	4,370	78,006	41,054	74,568	31,669	125,093	75,986	206,730	161,264	1,383,364
<b>Construction</b>													
Number of returns.....	228,657	28,086	15,524	26,271	87,040	32,901	32,896	3,755	2,008	101	52	23	23
Total assets.....	105,543,997	1,914,894	590,049	1,362,708	11,354,571	10,692,767	29,868,933	12,160,354	18,743,376	3,985,714	4,803,594	9,989,030	9,989,030
Notes and accounts receivable, net.....	29,014,127	246,152	108,844	240,579	2,049,323	2,019,323	9,000,179	3,921,607	6,171,782	1,210,060	1,208,660	2,246,609	2,246,609
Inventories.....	19,335,504	407,703	78,714	233,442	2,385,379	2,516,344	6,413,842	2,152,749	3,749,900	712,261	613,040	1,062,133	1,062,133
Cash, Government obligations, and other current assets.....	21,653,135	476,111	147,530	308,412	2,626,976	2,272,569	6,157,916	2,613,840	3,849,030	755,708	677,899	1,767,144	1,767,144
Other investments and loans.....	9,425,092	265,157	61,017	151,192	825,597	653,496	1,741,448	832,315	1,499,924	424,433	959,022	2,010,490	2,010,490
Depreciable assets.....	37,721,795	445,162	244,131	602,753	4,854,478	3,912,455	10,100,755	4,330,282	6,860,758	1,119,840	1,020,909	3,630,272	3,630,272
Less: Accumulated depreciation.....	18,735,980	205,840	112,633	311,799	2,283,584	1,840,828	5,264,117	2,293,787	3,692,820	560,084	770,863	1,399,627	1,399,627
Other capital assets less reserves.....	4,382,175	185,003	24,053	99,137	659,499	483,132	1,094,015	368,328	667,607	200,500	296,916	303,985	303,985
Accounts and notes payable.....	37,799,380	847,544	212,446	486,811	3,955,531	4,105,716	11,980,213	4,553,045	6,694,534	1,125,728	1,375,039	2,463,978	2,463,978
Other current liabilities.....	14,741,849	184,518	37,133	123,157	1,233,157	1,256,071	4,153,688	1,753,932	2,788,006	643,060	868,864	1,679,893	1,679,893
Mortgages, notes, and bonds payable in one year or more.....	15,217,242	404,050	65,201	237,918	2,098,734	1,891,585	3,845,689	1,645,609	2,781,987	619,145	626,789	1,066,555	1,066,555
Net worth.....	25,787,440	37,791	171,959	316,606	2,640,246	2,312,558	7,138,845	2,938,920	4,585,589	1,065,717	1,519,376	3,135,434	3,135,434
Cost of property used for investment credit.....	5,934,394	81,749	29,321	89,876	830,469	753,977	1,703,430	649,266	966,759	159,386	238,760	471,402	471,402
Total receipts.....	216,710,160	297,153	824,895	2,029,251	23,270,857	23,655,567	67,914,563	26,534,865	37,101,803	7,047,287	8,318,021	19,915,918	19,915,918
Business receipts.....	211,618,796	186,138	801,066	1,966,187	22,812,561	23,307,422	66,844,557	25,973,301	36,154,241	6,844,982	7,974,522	19,003,788	19,003,788
Cost of sales and operations.....	171,491,503	98,658	330,482	1,226,631	16,014,694	17,642,424	53,887,852	21,980,074	31,193,089	5,983,665	6,611,828	16,722,086	16,722,086
Taxes paid.....	4,601,022	19,972	25,168	69,139	703,167	603,936	1,545,663	541,738	648,965	113,241	114,443	215,967	215,967
Depreciation.....	3,803,768	28,920	15,394	64,781	549,719	451,776	697,245	257,535	408,808	94,894	122,240	314,914	314,914
Interest paid.....	1,027,628	2,995	—	2,828	86,186	96,524	338,184	102,784	191,274	95,303	147,503	147,503	147,503
Pension, profit-sharing, stock bonus, and annuity plans.....	876,112	1,054	846	7,087	90,110	106,359	321,433	11,387	128,500	14,692	34,748	25,988	350,614
Employee benefit programs.....	5,876,327	—	—	—	—	—	—	—	—	—	—	—	—
Net income (less deficit).....	8,059,978	49,992	41,657	129,166	1,052,276	904,019	2,420,854	881,343	1,259,025	207,018	399,871	679,712	679,712
Net income.....	8,059,978	49,992	41,657	129,166	1,052,276	904,019	2,420,854	881,343	1,259,025	207,018	399,871	679,712	679,712
Income subject to tax.....	8,059,978	49,992	41,657	129,166	1,052,276	904,019	2,420,854	881,343	1,259,025	207,018	399,871	679,712	679,712
Income tax, total.....	2,427,708	7,337	4,702	13,851	151,883	174,478	672,178	326,658	494,355	82,628	163,594	336,042	701,814
Additional tax for tax preferences.....	116,160	—	—	—	—	—	—	—	—	—	—	—	—
Foreign tax credit.....	33,527	—	—	—	—	—	—	—	—	—	—	—	—
Nonrefundable energy credit before limitation.....	270	—	—	—	—	—	—	—	—	—	—	—	—
Work incentive (WIN) credit.....	481,331	867	1,459	4,003	54,764	54,212	214,670	81,587	76	1	13,917	77,820	77,820
Jobs credit.....	827,914	8,804	4,077	14,595	80,143	47,092	116,898	55,884	62,412	10,420	42,933	36,903	36,903
Distributions to stockholders except in own stock.....	—	—	—	—	—	—	—	—	—	—	—	—	—

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 1.7 — Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Business Receipts — Continued  
[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division, item	Size of business receipts												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Total returns of corporations	Under \$25,000	\$25,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 under \$500,000,000	\$500,000,000 or more	
<b>Manufacturing</b>													
Number of returns	223,471	24,002	10,328	18,331	71,154	33,590	48,524	8,126	7,977	1,080	857	290	421
Total assets	1,308,872,807	1,222,385	682,553	860,758	9,554,596	10,817,220	50,894,008	31,484,956	88,612,050	47,502,567	71,148,444	71,148,444	825,998,010
Notes and accounts receivable, net	306,664,685	139,019	86,891	138,198	2,209,984	2,785,164	13,380,463	8,361,659	21,067,790	10,304,830	15,317,435	14,519,023	218,858,229
Inventories	223,552,223	112,030	91,812	125,150	1,654,341	2,209,149	12,653,832	8,691,102	23,187,733	11,596,352	16,240,099	15,805,002	130,906,381
Cash, Government obligations, and other current assets	118,007,080	331,242	142,513	167,466	1,594,220	1,700,247	8,786,569	3,743,208	9,518,982	5,288,777	6,678,247	6,228,445	75,813,024
Other investments and loans	218,546,772	182,787	48,413	38,840	668,695	661,659	2,733,857	2,023,704	7,726,610	6,116,948	9,329,382	10,341,141	178,754,664
Depreciable assets	662,647,807	493,872	317,595	496,417	5,396,664	6,074,186	26,410,835	14,469,481	39,481,183	20,644,728	33,901,482	35,873,526	479,283,626
Less: Accumulated depreciation	307,305,415	185,252	115,511	193,502	2,574,546	3,099,010	13,198,710	7,198,712	18,512,127	9,205,960	15,151,710	15,844,853	221,688,826
Other capital assets less reserves	47,350,827	38,152	44,138	48,694	247,997	255,864	1,467,180	824,468	2,963,337	1,608,856	2,500,896	2,070,664	36,326,972
Accounts and notes payable	260,412,041	347,315	146,705	236,217	2,685,457	3,047,657	14,498,986	8,993,174	21,816,297	9,064,151	11,993,844	10,537,259	177,542,918
Other current liabilities	137,064,919	93,656	55,791	85,766	863,945	1,049,580	4,945,355	3,215,651	8,424,799	4,891,939	6,446,582	6,804,256	96,378,118
Mortgages, notes, and bonds payable in one year or more	237,882,006	168,509	189,521	184,781	1,889,669	1,871,046	7,806,239	4,114,444	13,155,756	7,473,257	10,170,933	14,300,957	172,376,833
Net worth	595,064,083	215,880	128,304	213,417	2,969,702	3,964,957	21,329,886	14,167,314	41,280,241	24,478,578	33,993,815	34,666,543	417,666,343
Cost of property used for investment credit	68,784,527	100,276	47,447	108,994	953,302	881,331	3,411,791	1,764,272	4,298,053	2,054,473	3,790,282	3,665,558	47,728,770
Total receipts	1,836,552,260	258,101	391,329	1,341,438	18,720,525	24,185,634	109,254,461	65,405,264	182,001,300	77,872,369	104,759,805	105,561,364	1,167,000,670
Business receipts	1,773,437,088	173,986	336,061	1,249,669	18,421,852	23,841,143	107,661,004	64,411,443	156,003,738	75,857,492	104,493,399	102,084,701	1,118,013,425
Cost of sales and operations	1,290,204,263	140,776	216,292	731,714	11,370,594	15,997,033	76,717,875	47,476,753	118,463,495	56,037,752	72,831,078	73,943,840	816,274,677
Taxes paid	48,728,041	18,945	19,573	48,126	686,335	767,497	2,809,334	1,517,241	3,654,495	1,778,447	2,701,097	2,665,058	31,800,891
Interest paid	30,815,600	13,852	14,327	22,681	264,677	299,231	1,314,414	792,135	2,238,908	1,099,156	1,803,308	1,690,198	21,362,713
Depreciation	49,059,132	37,864	24,543	48,776	596,566	728,522	2,722,606	1,192,014	3,137,351	1,608,826	2,566,340	2,612,809	34,480,366
Pension, profit-sharing, stock bonus, and annuity plans	21,335,728	485	3,051	5,302	102,749	143,482	665,003	429,424	1,068,582	609,163	826,192	1,142,388	16,428,656
Employee benefit programs	16,127,862	2,231	1,366	3,607	102,749	128,526	721,809	339,360	9,025,121	4,851,897	6,842,433	8,759,606	76,391,610
Net income (less deficit)	113,516,786	-220,564	-65,938	-16,059	574,838	928,829	5,051,672	3,911,150	10,195,197	5,486,614	7,328,352	6,863,030	77,948,910
Income subject to tax	114,374,088	20,238	13,337	51,930	755,349	869,966	2,747,769	3,551,211	9,546,472	5,125,184	6,961,405	6,707,086	75,424,132
Income tax, total	53,092,051	6,810	3,456	13,450	177,723	274,227	2,075,971	1,598,539	4,458,319	2,429,718	3,290,718	3,596,365	35,596,365
Additional tax for tax preferences	108,356	-	-	-	11	382	32	1,989	1,854	1,654	5,743	1,863	96,080
Investment credit	11,654,358	-	-	-	-	-	-	-	-	-	-	-	-
Nonrefundable energy credit before limitation	5,175,795	718	*872	2,697	42,889	52,277	252,138	16,380	78,340	81,412	189,253	263,980	11,007,935
Nonrefundable energy credit after limitation	52,649	-	-	-	-	-	-	-	-	-	-	-	-
Work incentive (WIN) credit	12,044	-	-	-	-	-	-	-	-	-	-	-	-
Jobs credit	958,211	*813	*209	2,024	46,173	329	696	962	31,947	150,636	265,172	291,995	3,672,134
Distributions to stockholders except in own stock	31,173,451	28,985	*3,443	*13,497	100,195	83,728	435,300	161,883	236,163	44,787	33,163	14,934	24,067
<b>Transportation and Public Utilities</b>													
Number of returns	92,686	21,070	9,865	9,524	29,951	10,574	9,219	1,107	920	135	126	74	121
Total assets	597,721,008	1,966,878	688,897	792,848	5,639,540	4,383,082	12,674,149	5,164,361	15,677,626	11,784,094	30,458,657	47,687,474	460,803,401
Notes and accounts receivable, net	45,208,079	180,915	67,605	83,638	767,122	734,279	3,237,564	893,847	2,057,376	1,193,668	2,586,074	2,931,787	31,473,841
Inventories	20,185,622	27,531	2,991	3,011	93,658	94,661	334,741	166,239	402,376	896,620	895,605	1,453,417	18,328,324
Cash, Government obligations, and other current assets	34,920,895	578,523	99,196	158,442	843,255	657,508	1,571,942	646,023	1,694,556	896,620	1,860,066	2,204,803	23,709,961
Other investments and loans	51,414,775	157,313	28,290	28,406	404,918	247,161	880,548	439,535	1,803,390	895,179	2,723,976	2,927,098	40,878,961
Depreciable assets	569,615,144	1,096,357	582,739	719,861	4,882,140	4,078,218	11,426,741	4,102,326	13,481,487	10,530,307	28,564,120	46,424,650	443,736,219
Less: Accumulated depreciation	145,953,721	380,645	203,188	313,862	2,019,250	1,797,563	4,695,821	1,745,708	4,371,684	3,155,310	7,371,392	10,580,959	108,135,264
Other capital assets less reserves	11,002,767	48,403	24,000	6,716	131,970	187,607	407,118	216,035	523,292	133,899	945,875	1,050,959	10,580,959
Accounts and notes payable	52,578,971	271,481	126,500	153,190	1,193,417	962,458	2,870,682	1,132,073	2,455,612	1,432,328	3,453,589	4,273,352	34,593,018
Other current liabilities	63,123,773	105,402	37,995	30,892	338,887	295,126	997,257	444,889	1,780,719	1,282,742	2,891,935	4,163,382	50,817,850
Mortgages, notes, and bonds payable in one year or more	204,786,763	942,742	289,745	309,276	1,697,243	1,311,912	3,920,601	1,571,797	5,394,318	4,752,478	10,566,397	18,372,372	153,079,706
Net worth	241,160,442	282,255	37,122	226,927	1,688,188	1,381,715	4,226,287	1,625,231	5,364,035	3,610,050	11,953,084	17,905,846	193,079,700
Cost of property used for investment credit	67,580,306	221,814	117,630	84,288	768,708	564,608	1,561,130	515,784	1,532,060	1,261,359	3,766,149	5,529,265	51,957,311
Total receipts	372,898,491	303,496	386,069	727,071	7,423,435	7,786,767	20,576,655	7,894,931	18,846,194	10,058,962	21,717,070	26,119,960	251,056,059
Business receipts	360,887,024	273,000	363,053	694,009	7,135,341	7,605,682	19,867,127	7,677,538	18,202,798	10,058,962	21,717,070	26,119,960	251,056,059
Cost of sales and operations	227,211,452	78,821	168,043	332,413	3,846,947	4,702,849	12,976,029	5,255,211	12,073,723	6,595,127	13,928,943	16,232,770	243,361,633
Taxes paid	20,887,391	18,603	20,691	35,316	320,747	265,507	919,275	291,190	837,412	427,540	1,005,361	1,436,227	15,109,531
Interest paid	18,142,866	45,540	22,474	25,184	181,495	131,716	495,302	134,272	559,763	424,088	889,080	1,177,166	12,773,166
Depreciation	30,287,913	70,153	39,858	58,533	469,755	346,627	1,015,758	372,323	957,716	373,276	1,111,340	2,114,335	23,747,242
Pension, profit-sharing, stock bonus, and annuity plans	6,407,293	578	59	2,966	25,868	35,861	149,185	61,644	177,674	111,105	250,378	291,318	5,302,800
Employee benefit programs	3,383,937	705	2,365	2,966	34,319	36,969	113,340	62,969	168,117	97,294	180,892	186,357	2,497,622
Net income (less deficit)	21,001,354	-108,048	-16,103	15,774	308,787	285,587	916,675	324,394	941,170	555,378	1,156,368	1,783,813	14,830,191
Income subject to tax	23,305,319	33,526	30,331	58,237	492,288	364,912	1,097,677	416,734	1,041,857	646,349	1,309,627	1,840,123	15,904,656
Income tax, total	22,090,821	19,865	10,624	30,084	316,814	292,666	913,065	356,966	977,548	540,100	1,215,824	1,737,147	15,680,116
Additional tax for tax preferences	17,604	-	-	-</									

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



# RETURNS OF ACTIVE CORPORATIONS

Table 1.7 — Selected Balance Sheet, Income Statement, and Tax Item, and Distributions to Stockholders, by Size of Business Receipts — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division, item	Size of business receipts												
	Total returns of active corporations	Under \$25,000 <sup>1</sup>	\$25,000-\$50,000	\$50,000-\$100,000	\$100,000-\$500,000	\$500,000-\$1,000,000	\$1,000,000-\$5,000,000	\$5,000,000-\$10,000,000	\$10,000,000-\$50,000,000	\$50,000,000-\$100,000,000	\$100,000,000-\$250,000,000	\$250,000,000-\$500,000,000	\$500,000,000 or more
Wholesale and Retail Trade													
Number of returns	721,443	64,300	35,916	70,199	271,415	107,223	133,598	21,896	14,957	1,099	561	205	184
Total assets	486,146,204	2,274,715	1,203,892	3,326,964	29,666,807	27,711,552	91,850,925	45,051,355	82,962,550	25,471,355	30,294,954	23,837,627	122,483,822
Notes and accounts receivable, net	127,457,596	418,978	156,646	496,980	5,030,508	5,702,034	21,198,263	11,696,875	23,239,402	7,401,355	8,888,360	5,993,080	35,405,534
Inventories	158,135,586	419,943	283,797	817,282	9,780,148	9,935,700	31,980,148	17,392,670	30,283,425	7,887,958	6,715,719	6,715,719	29,710,782
Cash, Government obligations, and other current assets	46,991,932	422,887	163,778	584,542	4,248,702	3,909,616	10,638,539	4,476,925	7,670,371	2,424,480	2,536,723	2,055,736	7,859,135
Other investments and loans	43,502,793	377,814	123,578	312,795	1,833,369	1,662,313	4,609,179	2,458,085	5,289,186	2,440,305	2,263,914	2,650,555	19,491,601
Depreciable assets	145,203,300	555,765	480,002	1,350,400	11,115,887	9,161,399	26,319,679	12,212,312	21,229,331	6,628,257	8,538,972	7,970,419	39,640,876
Less Accumulated depreciation	59,188,223	156,499	160,002	495,509	4,850,667	4,233,136	12,172,666	5,363,967	8,701,458	3,237,174	2,869,981	14,559,076	14,559,076
Other capital assets less reserves	12,977,765	112,833	55,735	155,032	1,198,802	821,497	2,196,920	1,211,414	2,113,501	1,165,109	1,165,109	7,736,547	7,736,547
Accounts and notes payable	177,767,156	587,526	235,369	787,933	8,335,842	9,035,029	35,427,827	19,538,927	35,909,927	9,951,903	11,445,109	7,716,377	39,337,477
Other current liabilities	41,004,863	128,730	48,740	241,413	2,062,099	2,018,873	7,060,673	3,394,366	5,427,668	2,772,603	2,772,603	2,060,293	2,060,293
Mortgages, notes, and bonds payable in one year or more	71,427,941	445,925	288,775	787,404	5,860,717	4,038,756	10,896,797	5,148,332	9,566,306	3,440,408	4,287,842	4,399,092	22,227,367
Net worth	172,397,596	593,218	376,927	780,911	9,600,688	10,411,167	33,532,592	15,418,536	28,200,369	9,359,551	11,189,049	8,791,277	44,137,338
Cost of property used for investment credit	17,774,773	105,714	190,642	1,906,421	1,508,421	1,172,971	3,359,739	1,591,324	3,118,699	891,389	1,045,369	886,328	3,773,338
Total receipts	1,461,404,863	804,042	1,412,185	5,395,343	70,999,249	76,703,516	291,387,116	152,773,553	283,044,174	76,046,648	83,991,022	71,924,648	347,463,357
Business receipts	1,436,428,864	516,067	1,340,677	5,113,813	68,693,464	75,504,925	287,020,826	150,503,138	278,862,300	74,714,509	82,540,762	70,552,783	341,063,618
Cost of sales and operations	1,134,768,864	305,070	701,660	2,712,966	41,462,692	50,580,529	220,371,198	121,508,032	231,036,058	61,378,383	67,461,788	57,990,863	279,313,603
Taxes paid	19,792,132	42,701	49,678	181,705	1,810,649	1,552,048	4,293,430	1,879,043	3,192,857	913,002	1,029,965	981,754	3,854,938
Interest paid	13,677,333	30,339	26,680	78,482	774,869	680,773	2,587,184	1,420,583	2,565,304	723,799	784,094	591,115	3,404,111
Depreciation	13,268,846	44,982	45,522	139,702	1,132,091	946,749	2,598,103	1,187,455	2,172,220	602,426	748,752	655,626	3,065,110
Pension, profit-sharing, stock bonus, and annuity plans	4,152,514	797	*940	12,075	77,482	248,196	995,969	462,383	697,890	189,537	197,937	185,443	938,650
Employee benefit programs	3,182,625	2,630	1,548	12,174	128,168	176,101	613,043	290,484	494,211	159,159	178,173	167,746	938,650
Other current liabilities	35,759,358	-276,636	-78,811	-51,509	1,435,854	2,040,679	7,127,179	3,540,758	7,189,255	2,166,704	2,641,180	1,930,945	8,093,761
Net income (less deficit)	41,432,239	115,796	87,020	228,926	2,689,347	2,687,888	8,370,668	3,935,021	7,789,295	2,369,918	2,790,861	2,025,470	8,342,019
Net income	30,594,403	38,598	24,119	108,531	1,532,592	1,815,743	6,007,368	2,960,969	5,690,255	1,641,160	1,935,257	1,548,926	7,290,885
Income subject to tax	12,479,414	9,695	5,385	24,124	338,957	456,640	2,023,452	1,223,970	2,574,444	767,933	913,736	732,416	3,408,762
Income tax, total	594,197	—	—	*235	*436	*423	592	461	1,030	629	802	1,114	507,185
Foreign tax credit	1,087,793	1,033	637	3,922	49,324	57,914	188,061	89,727	174,556	27,938	8,053	20,811	507,185
Nonrefundable energy credit before limitation	3,378	—	—	—	*10	*48	856	657	1,341	321	702	322	332,993
Work incentive (WIN) credit	860,923	*265	*563	3,697	64,702	89,994	289,050	138,267	204,674	31,062	21,997	9,145	9,507
Distributions to stockholders except in own stock	7,272,502	78,641	30,011	63,038	446,257	375,045	1,185,861	525,878	1,181,514	502,216	533,932	328,010	2,022,098
Finance, Insurance, and Real Estate <sup>2</sup>													
Number of returns	454,301	208,704	63,766	57,860	83,809	15,862	17,530	3,032	2,724	454	334	121	105
Total assets	3,249,397,057	20,736,764	10,428,408	15,515,312	54,820,514	58,811,815	318,322,074	188,268,326	485,923,242	233,987,724	401,652,178	265,928,536	1,106,991,892
Notes and accounts receivable, net	996,610,016	2,214,451	1,117,060	1,716,043	11,847,608	12,202,140	48,889,594	24,889,594	100,454,167	49,544,725	121,399,872	89,475,991	427,010,441
Inventories	6,185,753	4,282,763	97,774	86,909	361,872	1,717,164	743,752	194,765	656,669	186,734	157,570	86,282	2,770,709
Cash, Government obligations, and other current assets	766,558,059	4,126,937	1,977,040	3,040,968	12,288,658	18,727,184	85,332,164	41,201,999	98,821,026	51,595,176	97,903,899	73,665,032	279,855,795
Other investments and loans	1,285,415,357	5,363,503	2,342,085	3,331,260	11,326,859	10,568,638	81,575,305	89,826,519	266,615,789	123,591,496	169,050,348	92,355,443	419,367,477
Depreciable assets	125,555,463	5,501,223	4,794,042	7,353,484	19,743,497	8,351,751	16,879,421	6,941,326	14,828,042	6,552,193	8,106,303	5,111,658	21,392,522
Less Accumulated depreciation	38,597,918	2,024,541	2,052,168	2,946,960	8,015,716	2,905,812	5,179,749	1,898,337	3,485,298	1,389,590	1,853,444	1,259,987	5,585,316
Other capital assets less reserves	29,490,557	4,997,412	1,867,812	2,511,976	5,357,203	1,994,029	3,572,958	1,551,971	3,529,270	1,176,976	1,097,644	596,555	1,636,751
Accounts and notes payable	206,817,804	3,595,260	1,433,476	2,155,863	8,078,928	4,641,138	18,385,350	10,773,906	26,769,225	11,247,560	12,764,512	10,976,571	79,407,520
Other current liabilities	2,046,953,912	1,059,662	441,328	831,034	12,333,326	33,334,868	231,230,073	139,851,780	350,025,357	163,812,773	281,697,942	170,466,120	681,869,628
Mortgages, notes, and bonds payable in one year or more	183,378,965	5,752,939	2,974,250	4,856,171	14,438,608	6,881,495	17,328,834	9,827,943	22,449,723	10,515,470	12,249,723	65,125,300	125,125,300
Net worth	385,539,650	6,832,191	4,249,997	5,831,429	15,600,671	9,743,753	41,484,067	22,326,993	61,937,712	26,909,479	40,653,659	25,609,303	103,590,395
Cost of property used for investment credit	9,632,978	102,947	86,000	100,096	572,690	272,690	729,972	345,078	915,704	539,102	650,428	897,130	4,421,765
Total receipts	474,690,489	1,589,146	2,322,506	4,163,178	18,439,245	11,098,735	37,107,973	21,076,242	31,993,290	51,227,732	42,400,873	195,937,901	195,937,901
Business receipts	234,578,853	367,126	854,031	1,823,996	11,419,041	6,309,006	11,957,202	6,307,292	19,006,154	31,922,142	20,508,734	23,431,995	123,242,137
Cost of sales and operations	111,618,648	47,840	118,162	252,771	2,123,255	1,623,271	3,469,164	2,324,524	8,246,609	6,634,265	9,455,472	11,882,082	66,141,227
Taxes paid	12,338,847	24,634	24,634	352,333	1,071,608	502,427	11,119,916	5,158,578	13,255,621	7,035,808	9,322,448	1,142,557	41,425,557
Interest paid	118,500,328	409,206	284,451	488,928	1,915,428	1,253,174	12,531,746	8,240,792	21,346,451	10,629,956	17,032,610	8,917,313	35,085,609
Depreciation	3,899,204	*1,554	*1,291	19,408	936,050	412,715	94,845	398,851	928,095	518,451	781,665	512,620	3,180,213
Pension, profit-sharing, stock bonus, and annuity plans	1,689,368	5,352	5,228	10,719	74,832	54,709	161,712	153,802	389,008	210,589	368,342	1,699,788	1,699,788
Employee benefit programs	38,583,931	532,703	333,730	647,190	1,849,996	942,101	3,370,621	1,918,905	5,089,290	2,128,212	3,421,560	2,242,918	12,462,062
Net income (less deficit)	38,583,931	532,703	333,730	647,190	1,849,996	942,101	3,370,621	1,918,905	5,089,290	2,128,212	3,421,560	2,242,918	12,462,062
Net income	26,968,842	257,872	363,558	607,807	1,733,942	824,520							

Footnotes at end of table. See text for "Explanation of Terms



**RETURNS OF ACTIVE CORPORATIONS**  
**Table 1.7 — Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Size of Business Receipts — Continued**  
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division, item	Total returns of active corporations		Size of business receipts											
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		Under \$25,000	\$25,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 under \$500,000,000	\$500,000,000 or more	
<b>Services</b>														
Number of returns	560,016	132,135	53,801	82,481	224,329	39,295	24,632	2,052	1,099	89	60	29	14,957,511	
Total assets	134,379,134	5,224,440	2,086,409	4,777,518	22,478,445	13,454,480	23,981,304	8,273,062	14,819,404	5,805,562	8,253,202	10,268,066	2,105,669	
Notes and accounts receivable, net	279,931,412	517,868	178,653	478,898	2,018,523	1,368,023	4,630,010	1,863,023	3,071,567	1,452,820	2,010,698	1,722,827	1,435,842	
Inventories	26,884,753	195,302	53,551	166,194	886,320	555,516	1,509,973	615,516	805,925	369,677	529,638	290,638	2,983,621	
Cash, Government obligations, and other current assets	16,723,550	383,118	411,295	1,121,295	2,152,397	994,232	3,604,873	1,313,331	2,117,133	1,100,163	1,265,059	981,420	1,614,695	
Other investments and loans	86,863,656	1,025,518	359,623	457,647	1,762,885	958,793	1,997,062	1,029,457	2,217,133	925,268	889,387	1,614,695	3,159,071	
Depreciable assets	35,061,076	2,714,924	1,297,283	3,801,835	17,962,885	9,958,763	17,408,734	5,196,705	8,632,214	3,215,131	4,801,920	6,065,173	372,155	
Less: Accumulated depreciation	7,440,605	1,035,497	487,074	1,388,212	6,983,935	4,093,763	7,402,506	2,076,955	3,423,469	1,475,730	1,766,645	2,072,421	1,820,237	
Other capital assets less reserves	28,819,329	1,222,024	487,074	1,388,212	11,978,950	5,864,828	10,006,228	3,118,746	5,208,745	1,739,391	3,035,275	4,092,754	4,244,938	
Accounts and notes payable	38,078,766	1,171,518	170,971	298,877	2,056,184	1,189,858	2,650,414	853,611	1,753,898	1,025,362	1,304,412	1,173,556	3,921,420	
Other current liabilities	38,078,766	1,171,518	170,971	298,877	2,056,184	1,189,858	2,650,414	853,611	1,753,898	1,025,362	1,304,412	1,173,556	3,921,420	
Mortgages, notes, and bonds payable in one year or more	38,078,766	1,171,518	170,971	298,877	2,056,184	1,189,858	2,650,414	853,611	1,753,898	1,025,362	1,304,412	1,173,556	3,921,420	
Net worth	11,724,420	383,927	490,066	1,077,717	7,378,998	3,880,517	5,609,517	2,379,020	4,325,460	1,518,436	2,611,301	3,523,354	5,654,059	
Cost of property used for investment credit	210,606,073	17,614,339	2,117,206	6,271,325	50,991,253	27,690,471	46,306,919	15,035,684	20,973,025	6,528,239	9,405,712	10,686,421	12,837,360	
Total receipts	201,678,049	972,761	1,967,102	6,042,698	49,594,450	27,026,235	44,939,628	14,387,786	19,933,680	6,143,687	8,859,717	10,026,625	12,837,360	
Less: Business receipts	100,355,222	347,892	641,226	2,032,887	18,744,074	12,217,863	24,812,924	8,586,214	11,738,598	3,821,522	5,360,525	6,068,974	8,068,974	
Cost of sales and operations	7,353,972	97,458	94,617	250,461	1,816,228	977,574	1,609,911	494,990	836,100	336,100	436,100	536,100	610,640	
Taxes paid	4,752,293	116,626	57,453	132,494	724,355	527,146	1,007,167	207,167	540,700	227,096	263,837	450,374	382,504	
Depreciation	10,354,225	229,737	117,824	347,977	1,777,640	1,088,824	2,005,798	605,798	1,151,597	483,436	755,746	1,568,563	1,568,563	
Pension, profit-sharing, stock bonus, and annuity plans	3,940,704	37,086	22,217	19,524	1,075,165	688,824	1,151,597	337,737	638,121	237,096	337,737	521,554	68,874	
Employee benefit programs	1,338,342	9,124	0,362	48,309	1,680,862	701,184	1,691,831	540,026	1,114,046	343,735	584,323	668,958	788,217	
Net income (less deficit)	10,966,125	256,964	147,420	377,843	2,485,552	1,218,745	2,135,518	501,205	1,269,754	367,774	620,564	674,581	788,217	
Net income	10,966,125	256,964	147,420	377,843	2,485,552	1,218,745	2,135,518	501,205	1,269,754	367,774	620,564	674,581	788,217	
Income subject to tax	8,569,061	331,780	83,074	216,888	1,775,145	916,680	1,605,969	501,205	1,009,100	334,928	589,478	656,133	788,217	
Income tax, total	3,190,306	20,192	48,839	408,773	2,553,340	1,159,496	1,612,422	222,379	471,170	159,441	275,915	311,657	364,917	
Additional tax for tax preferences	140,455	2,366	—	—	46	2,452	6,449	11,104	13,106	10,637	37,604	16,305	50,369	
Foreign tax credit	500,305	6,174	—	12,259	85,034	51,738	86,494	26,703	53,648	19,565	33,972	41,440	74,536	
Investment credit	242	—	—	—	113	128	187	170	23	9	61	8	8	
Nonrefundable energy credit before limitation	1,087	—	—	6,039	81,905	68,816	148,332	31,592	35,108	4,340	3,876	1,826	1,093	
Jobs credit	1,490,937	127,192	45,669	47,956	208,300	89,635	224,096	126,642	151,507	52,994	115,645	153,207	150,094	
Distributions to stockholders except in own stock														
<b>Nature of Business Not Allocable</b>														
Number of returns	7,110	1,246	381	570	2,774	1,059	928	82	65	22	5	—	—	
Total assets	2,013,376	165,889	42,199	60,451	300,502	188,600	657,144	214,800	307,930	85,188	77,280	—	—	
Notes and accounts receivable, net	405,626	12,134	8,862	11,748	57,489	32,440	136,593	58,520	85,188	25,198	10,746	—	—	
Inventories	469,562	40,195	12,967	11,002	75,516	41,307	101,400	80,950	76,415	25,298	—	—	—	
Cash, Government obligations, and other current assets	381,903	66,179	18,179	9,164	25,540	4,778	27,905	21,214	45,933	7,937	—	—	—	
Other investments and loans	165,680	66,179	1,296	1,084	25,540	4,778	27,905	8,293	25,654	5,321	—	—	—	
Depreciable assets	795,195	36,386	3,324	38,895	93,149	79,922	283,681	56,002	151,627	51,679	—	—	—	
Less: Accumulated depreciation	350,718	11,283	3,324	12,505	58,753	28,951	128,106	26,427	64,301	27,141	—	—	—	
Other capital assets less reserves	83,279	28,169	1,296	26,390	34,396	50,971	155,575	29,575	87,326	24,530	—	—	—	
Accounts and notes payable	62,276	28,169	1,296	26,390	34,396	50,971	155,575	29,575	87,326	24,530	—	—	—	
Other current liabilities	178,371	9,620	11,993	11,548	28,811	24,650	49,557	17,186	35,532	9,144	—	—	—	
Mortgages, notes, and bonds payable in one year or more	304,814	9,620	993	18,602	54,103	26,810	123,794	23,943	38,250	9,700	—	—	—	
Net worth	701,432	67,379	3,379	16,814	102,667	68,815	203,042	71,875	145,702	27,517	—	—	—	
Cost of property used for investment credit	103,786	9,915	225	6,371	8,411	25,563	29,510	3,276	13,195	7,318	—	—	—	
Total receipts	5,616,660	32,653	14,711	48,924	671,868	714,029	2,035,001	596,928	1,082,977	409,569	—	—	—	
Less: Business receipts	5,483,247	4,935	12,758	40,385	652,248	703,856	1,994,659	590,115	1,078,778	404,856	—	—	—	
Cost of sales and operations	4,047,398	5,654	13,185	18,840	326,080	513,897	1,556,952	450,195	843,795	377,954	—	—	—	
Taxes paid	97,465	1,015	898	1,349	18,988	18,060	27,530	9,310	17,368	1,147	—	—	—	
Interest paid	52,457	1,998	876	3,013	6,302	5,613	16,704	2,462	12,331	2,584	—	—	—	
Depreciation	76,445	2,111	78	6,432	10,916	12,566	36,724	7,462	20,043	3,048	—	—	—	
Pension, profit-sharing, stock bonus, and annuity plans	50,949	1,166	15	1,895	13,177	779	4,199	1,837	2,043	3,789	—	—	—	
Employee benefit programs	17,142	87	87	13,177	15,086	65,103	22,006	38,609	8,153	8,153	—	—	—	
Net income (less deficit)	215,065	8,836	1,937	40,466	19,908	73,661	22,514	40,002	39,531	7,373	—	—	—	
Net income	165,545	3,060	7	2,960	25,414	10,923	58,268	20,708	39,531	7,373	—	—	—	
Income subject to tax	81,166	904	1	79	5,147	2,353	21,851	9,036	18,325	3,473	—	—	—	
Income tax, total	—	—	—	—	—	—	—	—	—	—	—	—	—	
Additional tax for tax preferences	—	—	—	—	—	—	—	—	—	—	—	—	—	
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—	—	
Investment credit	—	—	—	—	—	—	—	—	—	—	—	—	—	
Nonrefundable energy credit before limitation	—	—	—	—	—	—	—	—	—	—	—	—	—	
Jobs credit	—	—	—	—	—	—	—	—	—	—	—	—	—	
Distributions to stockholders except in own stock	—	—	—	—	—	—	—	—	—	—	—	—	—	

\*Estimate should be used with caution because of the small number of sample returns on which it is based.  
 \*\*Identifies (a) size classes for which data were deleted to avoid disclosure of information for specific corporations and (b) combined frequencies or amounts which include the data thus deleted from another size class.  
 †Includes returns with zero receipts and receipts not reported.  
 ‡Size of total receipts was used in lieu of business receipts to classify statistics for the "Finance, insurance, and real estate" industrial division.  
 †Less than \$500 per return.  
 NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS

Table 1.8 — Total Receipts, Net Income, Statutory Special Deductions, Income Tax, Credits, and Taxpayments, by Accounting Period Ended  
[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	Accounting period ended <sup>1</sup>											
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>Returns With and Without Net Income</b>												
Number of returns	2,376,779	—	96,238	95,599	214,068	123,760	75,862	878,483	85,966	74,495	174,638	93,775
Total receipts	4,714,602,915	4,714,602,915	107,626,561	112,940,579	264,474,337	163,108,981	92,812,347	2,630,055,031	206,089,754	100,307,894	263,021,105	106,500,688
Net income (less deficit)	2,356,342	2,356,342	3,267,575	3,902,272	4,156,522	4,255,422	4,168,247	60,331,847	3,020,466	3,686,655	7,706,384	3,748,731
Total income tax	1,110,304	1,110,304	1,517,972	1,570,751	4,182,757	2,547,757	1,668,247	60,331,847	3,020,466	1,371,337	3,131,387	1,456,196
<b>Returns With and Without Net Income, Other Than Forms 1120S and 1120 — DISC</b>												
Number of returns	1,890,892	—	70,708	78,381	174,303	99,835	60,296	756,516	81,282	59,372	141,184	77,838
Total receipts	4,485,933,571	4,485,933,571	99,340,265	105,020,564	246,665,841	152,247,811	77,008,329	2,742,059,963	186,348,280	92,763,450	244,052,925	87,873,731
Net income (less deficit)	1,877,594	1,877,594	3,175,942	3,529,380	8,933,182	5,996,513	3,108,369	173,875,134	8,672,947	8,212,159	28,222,809	3,558,954
Statutory special deductions, total	351,267	351,267	252,236	298,665	745,918	406,577	318,046	10,771,065	592,186	283,228	658,472	273,477
Net operating loss deduction	259,419	259,419	170,793	217,448	589,480	300,056	251,931	5,228,282	238,855	238,855	539,945	228,525
Total special deductions	102,516	102,516	81,443	81,218	156,438	106,522	65,555	5,542,784	307,353	44,375	118,527	44,952
Western Hemisphere Trade Corporation deduction	477	477	277,050	6,349	3,489	4,010	217	24,328	4,420	424	9,501	1,875
Income subject to tax, total	1,082,657	1,082,657	3,566,838	3,774,843	8,816,566	5,989,355	3,838,048	173,645,010	6,891,890	3,332,891	7,656,781	3,811,722
Net long-term capital gain taxed at alternative rates	37,481	37,481	9,919,241	100,206	311,671	179,708	71,180	7,632,296	486,312	68,516	237,298	178,967
Income taxed at normal tax and surtax rates	1,045,176	1,045,176	3,486,630	3,674,637	8,504,896	5,809,646	3,766,868	166,012,714	6,405,578	3,264,375	7,419,483	3,732,755
Income tax, total	1,082,657	1,082,657	3,486,630	3,674,637	8,504,896	5,809,646	3,766,868	166,012,714	6,405,578	3,264,375	7,419,483	3,732,755
Normal tax, surtax, and alternative tax	1,082,657	1,082,657	1,517,972	1,570,752	4,182,757	2,547,757	1,668,247	60,331,847	3,020,466	1,371,337	3,131,387	1,456,196
Tax from recomputing prior-year investment credit	168,799	168,799	1,502,225	1,556,723	4,133,208	2,527,712	1,655,571	79,692,040	3,000,318	1,361,740	3,094,513	1,562,230
Tax from recomputing prior-year work incentive (WIN)	303	303	106	—	10,638	30,342	15,616	374,184	16,539	8,023	25,781	11,806
Additional tax for tax preferences	11,073	11,073	339,832	—	—	—	—	—	—	—	—	—
Foreign tax credit	6,038	6,038	26,357,629	54,581	213,372	213,372	78,763	25,084,338	112,041	49,922	113,221	4,040
U.S. possessions tax credit	739,421	739,421	12,987,172	194,530	425,736	425,736	89,529	806,968	14,549	5,109	16,817	30,150
Work incentive (WIN) credit	5,485	5,485	18,469	206	1,246	1,246	306	10,115,036	274,581	131,562	371,605	177,956
Jobs credit	356,898	356,898	3,093,915	84,701	226,235	134,262	84,455	1,318,873	119,065	119,282	308,873	127,028
Total income tax after credits <sup>2</sup>	853,694	853,694	64,382,530	1,170,174	3,249,075	1,981,550	1,288,165	43,089,297	2,489,807	1,065,328	2,322,644	1,207,202
<b>Returns With Net Income, Other Than Forms 1120S and 1120 — DISC</b>												
Number of returns	1,238,970	—	44,861	52,301	117,461	66,503	39,136	474,797	43,054	40,371	85,925	53,281
Total receipts	1,239,970	1,239,970	81,344,999	81,344,999	208,846,474	135,171,591	68,721,430	2,489,073,385	175,717,720	78,100,381	215,882,252	83,908,818
Net income	1,239,970	1,239,970	4,005,077	4,177,576	10,909,246	6,980,728	4,495,934	186,426,365	7,533,045	3,628,485	8,375,258	4,299,335
Statutory special deductions, total	337,900	337,900	250,108	297,262	738,912	399,981	313,771	10,561,507	590,427	280,946	645,682	271,552
Net operating loss deduction	259,419	259,419	170,793	217,448	589,480	300,056	251,931	5,228,282	238,855	238,855	539,945	228,525
Total special deductions	89,127	89,127	32,661	31,811	149,431	99,926	62,379	5,333,225	303,594	42,092	105,737	42,928
Western Hemisphere Trade Corporation deduction	477	477	277,050	6,349	3,489	4,010	217	24,328	4,420	424	9,501	1,875
Income subject to tax, total	1,082,643	1,082,643	3,566,836	3,774,843	8,816,566	5,989,355	3,838,048	173,645,010	6,891,890	3,332,891	7,656,781	3,811,722
Net long-term capital gain taxed at alternative rates	37,481	37,481	9,919,241	100,206	311,671	179,708	71,180	7,632,296	486,312	68,516	237,298	178,967
Income taxed at normal tax and surtax rates	1,045,162	1,045,162	3,486,630	3,674,637	8,504,896	5,809,646	3,766,868	166,012,714	6,405,578	3,264,375	7,419,483	3,732,755
Income tax, total	1,082,643	1,082,643	3,486,630	3,674,637	8,504,896	5,809,646	3,766,868	166,012,714	6,405,578	3,264,375	7,419,483	3,732,755
Normal tax, surtax, and alternative tax	1,082,643	1,082,643	1,517,972	1,570,752	4,182,757	2,547,757	1,668,247	60,331,847	3,020,466	1,371,337	3,131,387	1,456,196
Tax from recomputing prior-year investment credit	145,127	145,127	1,502,225	1,556,723	4,133,208	2,527,712	1,655,571	79,692,040	3,000,318	1,361,740	3,094,513	1,562,230
Tax from recomputing prior-year work incentive (WIN)	299	299	106	—	10,638	30,342	15,616	374,184	16,539	8,023	25,781	11,806
Additional tax for tax preferences	10,310	10,310	303,152	—	—	—	—	—	—	—	—	—
Foreign tax credit	6,038	6,038	26,357,629	54,581	213,372	213,372	78,763	25,084,338	112,041	49,922	113,221	4,040
U.S. possessions tax credit	739,419	739,419	12,987,172	194,530	425,736	425,736	89,529	806,968	14,549	5,109	16,817	30,150
Work incentive (WIN) credit	5,485	5,485	18,469	206	1,246	1,246	306	10,115,036	274,581	131,562	371,605	177,956
Jobs credit	356,898	356,898	3,093,915	84,701	226,235	134,262	84,455	1,318,873	119,065	119,282	308,873	127,028
Total income tax after credits <sup>2</sup>	829,564	829,564	64,298,027	1,160,056	3,243,108	1,967,754	1,285,231	43,032,186	2,497,858	1,063,612	2,316,673	1,205,454
<b>Estimated tax payments:</b>												
1977 overpayments claimed as a credit	228,469	228,469	2,498,364	68,744	168,518	100,979	65,712	1,472,632	66,996	42,441	115,218	65,537
1978 estimated tax payments	459,262	459,262	792,717	880,590	2,291,917	1,299,255	897,431	3,123,632	1,556,239	738,555	1,996,239	823,160
Less: Refund of estimated tax payments	7,212	7,212	16,628	17,674	40,764	32,159	10,372	446,771	31,233	11,259	34,863	20,875
Payments with applications for—												
First extension of filing time	125,138	125,138	9,154,634	157,524	374,997	293,323	165,513	6,258,156	435,655	142,958	334,688	156,543
Second extension of filing time	21,580	21,580	5,619,981	89,762	194,872	172,698	84,394	4,146,472	277,174	72,720	138,722	69,899
Other credits and payments, total <sup>3</sup>	25,327	25,327	45,881	833	4,363	1,655	814	30,399	584	601	1,958	967
Refundable energy credit	229	229	1,978	—	—	—	—	—	—	—	—	—
Tax due at time of filing	543,358	543,358	6,374,410	185,717	513,585	269,883	188,780	3,021,699	230,457	171,335	424,733	238,600
Tax overpayment, total	334,888	334,888	4,616,649	109,352	264,323	145,000	107,039	2,772,613	142,398	93,727	257,483	128,136

<sup>1</sup> Estimate should be used with caution because of the small number of sample returns on which it is based.  
<sup>2</sup> Data deleted to avoid disclosure of information for specific corporations. Deleted data are included in the appropriate totals.  
<sup>3</sup> Includes full and part-year income tax payments, U.S. possessions tax, investment, work incentive (WIN), and jobs credits.  
<sup>4</sup> Includes credit for tax paid by regulated investment companies, credit for tax on special fuels, nonhighway gasoline, and lubricating oil, and refundable energy credit.  
<sup>5</sup> Less than \$500 per return.  
NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE SMALL BUSINESS CORPORATIONS, FORM 1120S

Table 1.9 — Balance Sheets and Income Statements, by Industrial Division

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	All industrial divisions	Industrial division								
		Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services	Nature of business not allocable
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Number of returns, total.....	478,679	26,214	3,033	52,916	37,467	19,968	167,711	55,830	113,759	1,781
With net income.....	277,320	14,299	1,731	33,917	23,634	10,736	101,360	29,789	60,843	1,011
<b>Total assets.....</b>	<b>79,448,133</b>	<b>6,836,884</b>	<b>1,529,271</b>	<b>8,561,322</b>	<b>9,114,145</b>	<b>3,381,734</b>	<b>28,045,481</b>	<b>8,937,972</b>	<b>11,763,805</b>	<b>277,519</b>
Cash .....	7,551,598	375,898	146,109	952,293	966,677	315,607	2,692,324	914,693	1,148,505	39,491
Notes and accounts receivable .....	14,486,988	433,006	338,839	2,067,657	2,374,377	579,778	5,629,184	1,561,287	1,478,572	24,289
Less Allowance for bad debts .....	220,432	1,535	1,487	13,986	36,038	13,124	99,250	20,043	34,755	*213
Inventories .....	16,632,652	673,540	48,629	2,513,594	1,959,916	76,018	10,511,735	296,433	488,023	64,764
Investments in Government obligations:										
United States .....	300,508	*13,605	—	14,021	27,868	16,080	130,068	92,481	*6,385	—
State and local .....	97,817	*6,947	—	16,570	26,688	*6,886	27,620	*11,584	*1,514	—
Other current assets .....	4,633,818	185,948	36,062	1,081,014	309,069	155,218	761,453	1,521,437	549,738	33,879
Loans to stockholders .....	1,376,178	128,596	21,631	206,364	87,516	71,862	368,680	239,408	232,139	*19,983
Mortgage and real estate loans .....	1,214,268	85,475	*10,427	123,107	14,088	*1,594	148,594	710,521	119,989	*472
Other investments .....	2,621,055	276,482	68,065	295,804	345,017	90,950	606,075	567,480	368,040	*3,144
Depreciable assets .....	37,179,238	4,018,143	1,107,147	3,151,087	4,793,968	2,920,059	9,899,803	1,506,995	9,688,451	93,584
Less Accumulated depreciation .....	15,764,595	1,692,106	423,503	1,549,995	2,436,220	1,146,693	4,323,637	415,078	3,745,327	32,036
Depletable assets .....	288,176	58,577	120,015	*13,950	22,240	*6,328	17,328	29,183	*20,555	—
Less Accumulated depletion .....	68,999	10,027	32,885	*5,551	*787	1	6,454	*1,404	*11,880	—
Land .....	5,634,430	1,987,053	26,500	429,973	198,674	70,744	675,220	1,449,455	775,333	21,478
Intangible assets (amortizable) .....	1,033,666	18,143	22,739	18,792	113,165	80,517	295,530	47,473	433,594	*3,712
Less Accumulated amortization .....	457,856	5,928	867	6,400	38,270	25,309	93,624	14,956	272,948	*555
Other assets .....	2,909,621	295,068	41,850	252,031	386,199	175,219	804,832	441,023	517,874	5,527
<b>Total liabilities.....</b>	<b>79,448,133</b>	<b>6,836,884</b>	<b>1,529,271</b>	<b>9,561,322</b>	<b>9,114,145</b>	<b>3,381,734</b>	<b>28,045,481</b>	<b>8,937,972</b>	<b>11,763,805</b>	<b>277,519</b>
Accounts payable .....	12,545,615	299,193	269,929	1,917,923	1,586,023	395,067	5,711,842	1,167,008	1,165,964	32,667
Mortgages, notes, and bonds payable in less than one year .....	12,710,256	1,295,137	206,611	2,082,486	922,383	450,526	5,083,109	1,368,222	1,263,619	38,162
Other current liabilities .....	6,373,811	140,754	87,096	1,139,407	883,204	237,686	1,879,486	936,379	1,062,825	6,973
Loans from stockholders .....	9,281,092	826,239	248,858	857,670	908,949	489,888	2,927,838	1,161,784	1,829,114	30,552
Mortgages, notes, and bonds payable in one year or more .....	17,752,924	2,310,212	318,158	1,439,436	1,288,742	1,151,969	4,357,149	2,319,765	4,496,116	71,377
Other liabilities .....	2,662,216	221,662	93,264	472,988	339,296	129,862	455,323	532,968	375,927	40,727
Capital stock .....	9,239,747	1,485,739	108,238	612,804	872,466	359,149	3,410,860	895,684	1,460,065	34,742
Paid-in or capital surplus .....	3,843,162	550,355	229,860	251,157	332,638	269,258	990,928	504,989	702,796	*11,180
Retained earnings, appropriated .....	393,354	39,509	*21,095	31,725	94,280	16,985	128,966	39,627	18,833	*2,334
Retained earnings, unappropriated .....	3,591,166	-63,192	28,832	345,841	1,371,966	82,695	1,684,904	96,071	63,441	589
Stockholders' undistributed taxable income previously taxed .....	1,963,659	-209,877	-79,165	503,505	644,776	-178,087	1,794,890	-16,844	-510,373	14,834
Less: Cost of treasury stock .....	908,869	59,078	*3,506	93,820	130,598	23,263	359,814	67,680	164,522	*6,617
<b>Total receipts.....</b>	<b>194,224,117</b>	<b>6,732,204</b>	<b>1,958,497</b>	<b>22,431,178</b>	<b>22,439,698</b>	<b>6,184,335</b>	<b>104,847,601</b>	<b>6,561,924</b>	<b>22,447,968</b>	<b>620,712</b>
Business receipts .....	189,695,182	6,247,841	1,840,774	22,166,371	22,098,479	6,042,529	103,433,844	5,332,976	21,926,046	606,323
Interest on Government obligations:										
United States .....	33,283	5,148	*956	1,687	4,001	1,218	8,950	8,733	2,590	—
State and local .....	7,062	*314	*227	1,477	1,525	*526	1,640	*1,064	*269	—
Other interest .....	513,130	28,252	9,872	40,937	62,180	13,308	203,076	102,059	50,227	3,217
Rents .....	507,816	26,857	8,364	30,978	28,792	12,509	165,585	148,257	85,756	*720
Royalties .....	74,848	4,795	11,783	*111	3,383	*15	5,854	45,146	3,761	—
Net short-term capital gain reduced by net long-term capital loss .....	28,177	7,076	*80	*267	*2,397	*506	6,249	8,512	3,089	—
Net long-term capital gain reduced by net short-term capital loss .....	610,019	152,851	10,025	26,875	78,824	16,487	107,013	142,538	74,089	*1,317
Net gain, noncapital assets .....	828,233	43,194	21,764	35,792	29,271	32,049	57,035	566,261	42,299	*568
Dividends received from domestic corporations .....	25,647	3,317	330	1,351	2,998	192	11,272	1,423	4,763	(*)
Dividends received from foreign corporations .....	679	*47	—	*36	*210	*315	*30	*39	*3	—
Other receipts .....	1,900,042	212,512	54,321	125,296	127,639	64,683	847,052	204,895	255,076	8,568
<b>Total deductions.....</b>	<b>188,868,315</b>	<b>8,486,391</b>	<b>1,947,387</b>	<b>21,864,774</b>	<b>21,338,173</b>	<b>6,030,653</b>	<b>102,929,014</b>	<b>5,829,514</b>	<b>21,838,884</b>	<b>603,526</b>
Cost of sales and operations .....	135,415,481	4,320,070	1,166,073	17,458,489	15,710,321	3,739,197	79,430,776	1,447,267	11,671,873	471,415
Compensation of officers .....	8,763,494	182,495	57,777	1,050,381	1,187,545	313,480	3,135,538	766,154	2,042,903	27,221
Repairs .....	1,210,226	183,097	37,564	131,404	146,318	17,455	396,847	35,917	259,402	2,222
Bad debts .....	381,148	12,167	12,938	25,144	47,853	17,351	185,924	29,148	49,716	908
Rent paid on business property .....	3,610,500	217,851	25,601	127,526	265,356	156,249	1,654,721	155,895	999,871	7,431
Taxes paid .....	4,105,569	147,010	64,106	465,345	589,853	189,707	1,582,099	168,901	888,351	10,198
Interest paid .....	2,490,670	269,715	52,294	239,177	210,802	141,926	834,319	234,990	498,681	8,765
Contributions or gifts .....	51,289	1,322	292	5,189	11,612	1,185	19,016	5,616	7,026	*30
Amortization .....	130,672	3,951	228	4,947	6,445	2,942	12,977	4,349	94,721	*112
Depreciation .....	3,740,450	408,685	139,229	360,310	442,190	339,583	1,012,801	123,611	904,818	9,224
Depletion .....	35,081	495	20,368	923	*3,772	*37	5,325	*2,262	1,898	—
Advertising .....	1,829,714	13,689	1,000	65,177	127,096	32,578	876,282	193,321	316,961	3,611
Pension, profit-sharing, stock bonus, and annuity plans .....	398,334	6,298	5,905	49,280	87,345	20,117	139,543	23,690	66,109	*48
Employee benefit programs .....	532,018	8,132	5,846	65,604	119,211	23,209	174,484	23,112	111,137	*1,282
Net loss, noncapital assets .....	89,881	4,419	3,529	8,445	2,693	5,684	36,522	7,637	19,481	*1,471
Other deductions .....	26,283,788	706,996	354,637	1,807,432	2,379,760	1,029,952	13,431,841	2,607,645	3,905,937	59,589
<b>Total receipts less total deductions .....</b>	<b>5,355,802</b>	<b>245,813</b>	<b>11,110</b>	<b>566,404</b>	<b>1,101,525</b>	<b>153,682</b>	<b>1,918,587</b>	<b>732,410</b>	<b>609,083</b>	<b>17,187</b>
Net income (less deficit) .....	5,348,741	245,500	10,883	564,927	1,100,000	153,156	1,918,948	731,326	608,814	17,187
Net income .....	8,594,131	538,064	182,176	887,622	1,391,103	346,632	2,858,997	1,002,134	1,355,801	31,601
Distributions to stockholders:										
Cash and property except in own stock .....	2,844,466	144,501	73,246	254,579	526,848	111,959	894,998	413,727	514,938	*9,669
Corporation's own stock .....	*8,384	—	—	—	*1,219	—	*1,806	*5,359	—	—

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

†This item is reflected in the statistics for "Retained earnings, unappropriated" and "Net worth" in other tables which show these items.

\*Less than \$500 per return.

NOTE Active Small Business Corporations filing Form 1120S returns reported "Income subject to tax" of \$12,462,000 and "Income tax" of \$4,307,000, including "Additional tax for tax preferences" of \$588,000. Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE DOMESTIC INTERNATIONAL SALES CORPORATIONS, FORM 1120—DISC

Table 1.10 — Number of Returns, Selected Balance Sheet and Income Statement Items, and Distributions to Stockholders, by Selected Industrial Divisions

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	All industrial divisions <sup>1</sup>	Selected industrial divisions		
		Wholesale and retail trade	Finance, insurance, and real estate	Services
	(1)	(2)	(3)	(4)
Number of returns, total.....	7,208	6,699	105	177
With net income.....	6,358	6,125	94	121
<b>Total assets</b> .....	<b>19,724,920</b>	<b>19,257,400</b>	<b>223,061</b>	<b>233,805</b>
Notes and accounts receivable, net.....	12,416,096	12,127,266	131,404	153,075
Inventories.....	901,254	898,950	—	*278
Cash, Government obligations, and other current assets.....	498,136	485,677	2,821	7,814
Other investments and loans.....	4,253,682	4,109,138	78,963	64,183
Depreciable assets.....	84,361	80,808	—	*3,544
Less: Accumulated depreciation.....	25,481	23,998	—	*1,478
Accounts and notes payable.....	1,857,455	1,847,069	*1,286	6,099
Other current liabilities.....	852,896	849,275	*1,938	1,178
Mortgages, notes, and bonds payable in one year or more.....	177,371	176,238	*594	*539
Net worth.....	16,523,535	16,087,049	219,243	210,324
<b>Total receipts</b> .....	<b>34,444,928</b>	<b>34,223,265</b>	<b>20,462</b>	<b>178,739</b>
Business receipts.....	33,619,764	33,430,005	*47	165,763
<b>Total deductions</b> .....	<b>26,055,449</b>	<b>27,943,080</b>	<b>2,569</b>	<b>69,534</b>
Cost of sales and operations.....	26,348,094	26,275,148	—	62,467
Taxes paid.....	44,047	40,961	1,745	1,190
Interest paid.....	51,025	50,721	*182	*12
Depreciation.....	7,724	7,438	—	*285
Pension, profit-sharing, stock bonus, and annuity plans.....	10,029	9,838	—	*191
Employee benefit programs.....	5,139	5,055	—	*83
Net income (less deficit).....	6,402,076	6,292,803	17,892	87,205
Net income.....	6,428,931	6,318,595	18,840	87,318
Total statutory special deductions.....	1,934	1,685	—	*249
Tax deferred income and income taxable to stockholders.....	6,426,974	6,316,888	18,840	87,069
Distributions to stockholders in cash.....	3,174,107	3,105,113	33,017	34,462

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup>Includes "Nature of business not allocable" which is not shown separately.

NOTE See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF MEMBERS OF CONTROLLED GROUPS, OTHER THAN FORM 1120-DISC

Table 1.11 — Number of Returns, Total Assets, Total Receipts, Net Income (Less Deficit), and Total Income Tax, by Selected Industrial Divisions

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	All industrial divisions	Selected industrial divisions							Finance, insurance, and real estate	Services
		(1)	(2)	(3)	(4)	(5)	(6)	(7)		
			Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Total <sup>2</sup>	Wholesale trade	Retail trade
<b>Total returns of members of controlled groups, other than Form 1120-DISC:</b>										
Number of returns.....	321,336			3,518	23,176	41,383	15,834	90,225	39,564	50,812
Total assets.....	4,585,963,420	5,841		88,081,110	51,555,713	1,199,158,151	548,205,850	276,956,861	138,813,898	138,813,898
Total receipts.....	3,300,414,030	17,444,803		82,639,979	91,459,533	1,597,008,426	323,590,659	776,862,876	406,630,491	389,834,939
Intergroup domestic dividends received qualifying for 100 percent deduction under Code section 1581:										
Number of returns.....	1,969			*14	68	440	113	360	150	210
Amount.....	1,871,985	*3,213		*70,876	3,566	315,616	49,054	278,256	52,422	225,835
Net income (less deficit).....	192,660,016	427,168		27,304,765	2,716,513	102,027,858	18,934,834	17,413,116	7,540,683	9,877,435
Total income.....	205,996,772	648,393		28,472,114	3,385,279	106,360,747	20,492,531	19,391,184	8,730,844	10,858,119
Total income tax.....	90,918,335	210,905		13,488,423	1,319,245	48,140,170	9,424,647	8,224,681	3,702,458	4,521,467
Distributions to stockholders except in own stock.....	54,873,367	74,174		1,971,083	321,521	28,728,009	12,542,821	2,803,501	724,555	1,878,929
<b>Consolidated returns:</b>										
Number of returns.....	48,954			959	3,520	10,534	2,696	12,995	6,569	8,420
Number of subsidiary corporations.....	138,575	1,333		2,842	7,718	36,038	9,233	35,782	13,233	22,533
Total assets.....	3,927,668,940	8,974,060		76,438,184	32,187,204	1,088,761,549	524,760,234	177,015,460	86,880,555	90,092,824
Total receipts.....	2,630,874,814	11,839,352		73,192,050	51,556,891	1,417,223,288	301,718,302	481,160,211	249,653,718	231,422,031
Net income (less deficit).....	162,192,566	261,407		26,384,803	1,592,423	90,078,645	17,702,430	9,891,069	3,660,039	6,237,083
Total income.....	171,605,141	367,455		27,244,804	1,949,123	93,670,275	19,110,310	11,106,817	4,411,103	8,695,336
Total income tax.....	77,098,594	134,807		12,950,185	791,370	42,591,148	8,640,721	4,860,041	1,908,593	2,981,277
Distributions to stockholders except in own stock.....	48,274,453	54,518		1,527,689	217,786	26,903,264	12,098,684	1,521,689	399,476	1,122,197

\*Estimate should be used with caution because of the small number of sample returns on which it is based

<sup>1</sup>Includes "Nature of business not allocable" which is not shown separately<sup>2</sup>Includes "Wholesale and retail trade not allocable" which is not shown separately

NOTE: See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 1.12 — Number of Returns and Selected Tax Items, by Size of Normal Tax, Surtax, and Alternative Tax After Credits

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Size of normal tax, surtax, and alternative tax after credits <sup>1</sup>	Number of returns of active corporations, other than Forms 1120S and 1120-DISC	Total income subject to tax	Income tax before credits <sup>1</sup>		Foreign tax credit	Investment credit	Income tax after credits <sup>1</sup>	
			Total	Normal tax, surtax, and alternative tax			Total	Normal tax, surtax, and alternative tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Total<sup>2</sup></b> .....	<b>1,890,892</b>	<b>239,619,310</b>	<b>107,884,138</b>	<b>106,973,173</b>	<b>26,357,629</b>	<b>12,897,172</b>	<b>64,382,530</b>	<b>63,471,565</b>
Returns with net income .....	1,239,970	239,614,557	107,799,590	106,970,978	26,357,626	12,897,130	64,298,027	63,469,416
Returns without net income .....	650,922	<sup>3</sup> 4,753	84,548	2,195	<sup>3</sup> 0	<sup>4</sup> 82	84,503	<sup>4</sup> 2,150
Returns with normal tax, surtax, and alternative tax before credits <sup>1</sup> .....	1,082,657	239,618,442	107,783,123	106,973,173	26,357,629	12,897,172	64,281,514	63,471,565
Returns with normal tax, surtax, and alternative tax after credits, total <sup>1</sup> .....	794,048	228,850,539	103,857,206	103,109,593	24,925,695	11,644,547	64,219,178	63,471,565
Under \$6,000 .....	544,835	7,923,074	1,931,718	1,896,693	106,378	363,164	891,164	856,139
\$6,000 under \$10,000 .....	74,755	3,426,578	833,177	820,016	1,068	108,278	595,572	582,411
\$10,000 under \$15,000 .....	33,676	2,171,747	633,627	621,285	4,068	78,962	418,945	406,603
\$15,000 under \$20,000 .....	19,963	1,602,360	526,214	520,531	5,031	64,382	351,201	345,517
\$20,000 under \$25,000 .....	14,885	1,368,774	474,372	468,208	872	53,206	340,587	334,424
\$25,000 under \$50,000 .....	36,144	4,731,549	1,805,320	1,784,781	19,635	190,142	1,299,821	1,279,281
\$50,000 under \$75,000 .....	17,246	3,495,377	1,453,490	1,436,033	5,203	138,105	1,078,666	1,061,209
\$75,000 under \$100,000 .....	9,758	2,502,980	1,071,385	1,059,644	7,692	90,752	850,321	838,580
\$100,000 under \$250,000 .....	23,268	10,002,691	4,470,643	4,423,398	62,902	350,730	3,677,426	3,630,181
\$250,000 under \$500,000 .....	9,192	8,474,676	3,911,805	3,873,317	81,390	287,770	3,224,674	3,186,186
\$500,000 under \$1,000,000 .....	4,725	9,292,443	4,359,760	4,319,581	427,307	352,272	3,345,767	3,305,588
\$1,000,000 under \$10,000,000 .....	4,796	59,469,399	28,232,839	28,068,699	12,586,688	2,256,363	12,983,115	12,818,976
\$10,000,000 under \$50,000,000 .....	662	43,962,775	20,655,244	20,489,706	3,260,972	3,111,057	14,236,582	14,071,045
\$50,000,000 under \$100,000,000 .....	90	20,592,243	9,786,035	9,751,581	2,404,399	1,040,977	6,333,882	6,299,429
\$100,000,000 or more .....	53	49,833,872	23,711,577	23,576,120	5,952,090	3,158,385	14,591,455	14,455,997

<sup>1</sup> Estimate should be used with caution because of the small number of sample returns on which it is based<sup>2</sup> Credits include foreign tax, U.S. possessions tax, investment, work incentive (WIN), and jobs credits<sup>3</sup> Returns of active corporations, other than Forms 1120S and 1120-DISC, reported an amount of U.S. possessions tax credit of \$1,134,442,000, an amount of work incentive (WIN) credit of \$18,469,000, and an amount of jobs credit of \$3,093,915,000.<sup>4</sup> Amount was reported by life insurance companies and banks with life insurance departments taxable under special provision of the Internal Revenue Code

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data"



# RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORM 1120-DISC

Table 1.13 — Investment Credit and Selected Items, by Selected Industrial Divisions

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	All industrial divisions <sup>1</sup>	Selected industrial divisions										Finance, insurance, and real estate	Services
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	Wholesale and retail trade		(9)	(10)	(11)
									Wholesale trade	Retail trade			
<b>Number of returns of active corporations, other than Form 1120-DISC</b>	<b>2,389,571</b>	<b>69,971</b>	<b>19,124</b>	<b>228,657</b>	<b>223,471</b>	<b>92,686</b>	<b>714,544</b>	<b>247,793</b>	<b>465,920</b>	<b>454,196</b>	<b>558,839</b>		
<b>Returns with investment credit items, other than Form 1120-DISC:</b>													
Number of returns	1,259,374	45,561	11,838	136,111	159,482	55,111	426,364	155,848	270,067	121,454	299,694		
Cost of property used for investment credit	1,197,775	43,945	11,513	130,762	153,286	51,734	406,476	149,973	256,054	112,604	283,718		
Amount	189,977,419	2,369,502	6,072,733	5,934,394	68,784,527	67,580,306	17,774,773	7,772,838	9,986,605	9,632,978	11,724,420		
Investment qualified for credit													
Number of returns	975,069	30,209	10,308	105,545	130,748	40,587	326,439	127,994	193,015	96,954	231,579		
Amount	151,907,960	1,604,328	4,628,918	4,199,539	59,334,166	53,165,380	13,444,938	5,907,015	7,525,984	7,839,018	7,620,802		
Tentative investment credit, total													
Number of returns	975,080	30,209	10,308	105,552	130,748	40,587	326,439	127,994	193,015	96,958	231,579		
Amount	15,819,273	161,061	476,518	419,236	6,226,678	5,624,950	1,349,444	587,643	761,607	784,225	770,073		
10 percent tentative investment credit													
Number of returns	975,076	30,209	10,308	105,552	130,748	40,587	326,439	127,994	193,015	96,954	231,579		
Amount	15,010,111	160,273	462,110	417,360	5,928,720	5,167,677	1,337,168	584,880	751,094	768,250	761,467		
7 percent tentative investment credit													
Number of returns	504	**	**	*34	87	170	*8	**	**	**	193	3	
Amount	53,150	**	**	*21	4,944	48,005	*24	**	**	**	125	7	
Additional tentative credit for Employee Stock Ownership Plans													
1 percent additional tentative investment credit for qualifying stock ownership plans													
Number of returns	1,397	*13	39	111	344	217	256	87	169	281	136		
Amount	645,745	*788	13,246	1,817	249,660	350,715	9,919	2,266	7,653	11,712	7,889		
5 percent additional tentative investment credit for qualifying stock ownership plans													
Number of returns	500	**	9	*9	57	101	92	5	87	223	**		
Amount	110,267	**	1,139	*39	43,353	58,554	2,334	497	1,837	4,138	**		
Investment credit carryover													
Number of returns	288,015	12,251	3,502	29,765	37,595	17,881	82,809	26,010	56,761	27,482	76,332		
Amount	8,162,045	148,714	531,836	232,933	2,815,831	2,896,011	483,567	215,922	267,060	421,937	628,917		
Investment credit													
Number of returns	739,424	21,317	6,831	76,651	104,176	27,877	255,051	104,209	150,595	73,555	171,915		
Amount	12,897,172	100,232	234,247	331,104	5,175,795	4,765,971	1,087,793	432,253	654,949	695,842	500,305		
Unused investment credit													
Number of returns	449,099	17,831	5,498	46,251	49,977	27,299	134,201	44,805	89,206	43,931	123,295		
Amount	11,123,929	209,773	774,432	321,779	3,897,676	3,757,572	749,504	374,434	373,979	510,611	896,977		

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

\*\*Data deleted to avoid disclosure of information for specific corporations. Deleted data included in the appropriate totals.

<sup>1</sup>Includes "Nature of business not allocable," which is not shown separately.

<sup>2</sup>Includes "Wholesale and retail trade not allocable," which is not shown separately.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 1.14 — Jobs Credit and Selected Items, by Selected Industrial Divisions

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	All industrial divisions <sup>1</sup>	Selected industrial divisions										Services
		Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale and retail trade		Finance, insurance, and real estate			
							Total <sup>2</sup>	Retail trade				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
Number of returns of active corporations, other than Forms 1120S and 1120-DISC.....	1,890,892	43,757	18,091	175,741	188,004	72,718	546,833	199,483	346,538	398,366	448,080	
Returns with jobs credit items, other than Forms 1120S and 1120-DISC.....	505,129	8,997	4,724	64,564	78,944	19,850	171,180	83,994	107,077	44,331	113,232	
Unemployment insurance wages paid in 1978:												
Number of returns	474,016	8,557	4,571	60,541	72,846	18,209	161,399	60,111	101,179	40,968	105,647	
Amount	163,411,583	1,055,759	1,562,798	10,743,591	68,134,537	16,755,036	36,573,317	9,508,227	27,048,047	13,582,755	14,839,863	
102% of unemployment insurance wages paid in 1977:												
Number of returns	412,965	7,634	3,888	51,900	67,096	15,506	141,473	52,996	88,368	34,807	89,528	
Amount	140,008,143	869,134	1,251,226	7,849,918	59,924,369	15,121,601	31,126,728	7,831,572	23,280,781	11,789,720	11,935,687	
Excess of 1978 over 1977 qualified unemployment insurance wages eligible for credit	22,092,176	176,422	288,411	2,656,461	7,889,089	1,585,512	5,061,855	1,532,767	3,526,420	1,741,332	2,669,551	
Total wages paid in 1978:												
Number of returns	474,348	8,557	4,571	60,710	72,892	18,216	161,440	60,118	101,213	41,003	105,681	
Amount	446,907,337	1,994,913	4,659,194	27,238,446	203,000,479	59,646,323	80,245,908	26,027,921	54,176,827	34,937,850	34,780,170	
105% of total wages paid in 1977:												
Number of returns	414,253	7,635	3,888	52,104	67,234	15,513	141,678	53,022	88,547	35,314	89,754	
Amount	389,516,060	1,648,572	3,774,652	20,670,383	181,440,598	53,748,526	69,260,723	21,759,495	47,466,157	30,853,620	27,790,544	
Excess of 1978 over 1977 qualified total wages eligible for credit	57,728,627	350,613	887,219	6,631,023	21,594,458	5,984,871	11,050,376	4,283,805	6,760,482	4,105,977	7,048,468	
\$100,000 wage limitation:												
Number of returns	461,304	8,295	4,536	58,770	71,183	17,818	158,666	59,299	99,258	40,181	100,605	
Amount	5,140,323	61,934	80,983	875,224	1,367,010	219,688	1,420,587	516,489	902,774	319,171	786,383	
1978 unemployment insurance wages paid to vocational rehabilitation employees:												
Number of returns	1,058	**	**	*45	335	*140	383	131	*252	66	*82	
Amount	11,579	**	**	*242	5,423	*306	4,674	2,803	*1,871	685	*219	
Targeted jobs credit:												
Number of returns	1,967	*5	—	*49	239	*97	698	95	569	54	825	
Amount	10,772	*15	—	*1,392	2,279	*527	2,066	264	1,777	66	4,426	
Carryback and carryover of credit:												
Number of returns	89,438	1,721	1,222	13,321	12,765	3,674	25,891	7,811	18,080	6,555	24,127	
Amount	880,979	12,020	11,272	122,880	323,304	34,362	164,432	50,793	113,700	79,214	129,036	
Tentative jobs credit:												
Number of returns	5,007,017	58,565	77,347	853,939	1,344,100	213,152	1,378,877	496,497	881,056	304,863	766,784	
Number of returns	1,907	22	*7	158	185	*16	385	94	291	505	629	
Amount	26,454	98	*227	5,902	7,107	*214	5,136	1,193	3,943	2,827	4,942	
Tax after credit limitation:												
Number of returns	349,361	5,021	3,060	44,894	57,464	10,769	121,267	48,443	72,749	31,124	74,749	
Amount	46,992,803	158,771	730,065	1,356,605	25,696,810	3,829,228	7,558,400	3,237,978	4,318,661	5,899,519	1,731,937	
Jobs credit tax limitation:												
Number of returns	348,843	5,021	3,054	44,873	57,452	10,691	121,161	48,354	72,732	30,926	74,621	
Amount	3,070,115	30,338	44,067	476,523	948,978	120,976	858,590	349,992	508,204	204,560	380,022	
Jobs credit:												
Number of returns	356,898	5,113	3,055	46,078	58,502	11,095	123,716	49,486	74,155	31,661	76,634	
Amount	3,093,915	31,117	44,138	481,931	956,211	123,751	860,923	345,315	515,214	204,232	386,149	

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

\*\*Data deleted to avoid disclosure of information for specific corporations. Deleted data included in the appropriate totals.

Includes "Nature of business not allocable" which is not shown separately.

Includes "Wholesale and retail trade not allocable" which is not shown separately.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 1.15 — Returns With Beginning and Ending Inventories and With Inventory Valuation Methods, by Selected Industrial Divisions

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	All industrial divisions (1)	Selected industrial divisions									
		Agriculture, forestry, and fishing (2)	Mining (3)	Construction (4)	Manufacturing (5)	Transportation and public utilities (6)	Wholesale and retail trade			Finance, insurance, and real estate (10)	Services (11)
							Total <sup>2</sup> (7)	Wholesale trade (8)	Retail trade (9)		
<b>Number of returns of active corporations.....</b>	<b>2,378,779</b>	<b>69,971</b>	<b>19,124</b>	<b>228,657</b>	<b>223,471</b>	<b>92,888</b>	<b>721,443</b>	<b>254,982</b>	<b>485,920</b>	<b>454,301</b>	<b>560,018</b>
Returns showing inventories for both beginning and end-of-year:											
Number of returns.....	910,848	18,241	4,287	90,865	158,611	13,642	508,160	160,356	347,014	9,007	105,180
Inventories, beginning of year.....	376,412,510	2,584,549	4,182,036	14,269,892	195,399,367	17,944,994	131,564,966	59,685,951	71,814,345	5,249,415	4,859,456
Inventories, end-of-year.....	427,394,289	3,315,869	4,641,435	17,485,755	219,320,448	19,986,111	150,999,114	69,848,950	81,082,245	5,300,338	5,935,413
Number of returns with inventory valuation methods for end-of-year inventories, total.....	722,696	9,267	2,501	68,613	134,957	6,471	424,451	135,984	288,046	4,532	71,803
Number of returns with cost method.....	327,641	4,702	1,003	36,421	51,063	3,516	186,386	51,272	134,895	2,392	41,070
Number of returns with lower of cost or market method.....	375,345	3,920	1,420	28,313	80,483	2,848	226,113	81,692	144,126	2,083	29,517
Number of returns with other methods.....	19,710	645	78	1,879	3,411	107	11,952	2,920	9,025	57	1,216
Number of returns with full absorption method of inventory costing.....	136,041	709	456	8,918	74,066	883	42,241	14,401	27,814	377	8,120
Number of returns with LIFO <sup>3</sup> inventory valuation method for end-of-year inventories, total <sup>4</sup> .....	23,360	202	86	443	8,478	254	13,112	6,323	6,763	23	698
Number of returns with percent of inventories using LIFO <sup>3</sup> method:											
Under 50 percent.....	1,969	**	7	20	767	21	1,061	406	629	**	*89
50 under 100 percent.....	6,228	*20	20	29	2,331	35	3,755	1,265	2,490	4	28
100 percent.....	10,428	*30	46	132	3,916	96	6,038	3,673	2,365	4	150

\*Estimate should be used with caution because of the small number of sample returns on which it is based

\*\*Data deleted to avoid disclosure of information for specific corporations. Deleted data are included in the appropriate totals.

\*Includes "Nature of business not allocable" which is not shown separately

\*Includes "Wholesale and retail trade not allocable" which is not shown separately

\*Includes "Last-in, first-out" inventory valuation method

\*Includes "Returns with percent of inventories using LIFO method not specified"

NOTE: See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 1.16 — Book Net Income or Deficit and Provision for Federal Income Tax, by Selected Industrial Divisions

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	All industrial divisions <sup>1</sup>	Selected industrial divisions									
		Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale and retail trade			Finance, insurance, and real estate	Services
							Total <sup>2</sup>	Wholesale trade	Retail trade		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Total returns of active corporations:</b>											
Number of returns .....	2,376,779	69,971	19,124	228,657	223,471	92,686	721,443	254,682	465,920	454,301	560,016
Net income (less deficit) .....	246,867,473	1,296,962	27,709,582	5,876,327	113,518,786	21,001,854	35,759,358	20,091,887	15,663,175	33,873,934	7,666,125
Net income (less deficit) after tax, net .....	154,988,729	942,748	14,150,252	4,261,334	66,570,786	15,497,761	25,232,178	14,880,644	10,349,067	22,854,894	5,363,541
<b>Returns with book net income or deficit:</b>											
Number of returns, total .....	2,195,738	62,254	17,815	214,246	210,224	85,419	674,368	239,083	434,450	417,831	506,967
With book net income .....	1,409,610	39,006	11,249	139,383	149,217	49,972	449,343	173,388	275,658	261,329	305,367
Amount .....	189,868,095	1,765,052	3,883,271	5,646,866	77,133,576	22,268,732	29,041,281	16,730,304	12,298,337	41,477,983	8,483,983
With book deficit .....	786,128	23,248	6,566	74,863	61,007	35,447	225,025	65,695	158,792	156,502	201,600
Book net income (less deficit) .....	167,393,956	788,612	2,880,522	3,696,846	72,233,002	20,093,338	23,858,426	14,278,581	9,572,253	38,268,540	5,449,012
Net income (less deficit) after tax, net .....	130,319,013	802,668	1,883,764	3,974,440	61,340,505	13,203,590	23,684,967	14,051,219	9,624,751	20,471,087	4,846,307
Provision for Federal income tax, net:											
Number of returns .....	732,769	16,318	6,342	62,181	85,045	22,224	237,984	102,673	135,045	167,215	133,090
Amount .....	65,921,022	267,238	1,156,132	1,356,674	35,931,204	7,890,320	9,296,810	4,169,722	5,125,258	8,071,817	1,907,373
Provision for Federal income tax (+):											
Number of returns .....	696,888	15,193	5,955	57,602	79,046	20,866	228,138	98,114	129,758	161,665	126,077
Amount .....	67,524,859	276,236	1,235,695	1,491,057	36,713,807	8,013,223	9,496,550	4,307,306	5,137,414	8,284,853	1,969,824
Provision for Federal income tax (—):											
Number of returns .....	35,881	1,125	387	4,579	5,999	1,358	9,846	4,559	5,287	5,550	7,013
Amount .....	1,603,837	8,998	79,563	134,382	782,604	122,903	199,740	137,584	82,156	213,036	62,450
Total income tax after investment, work incentive (WIN), and jobs credits .....	72,237,550	299,212	1,892,234	1,401,563	43,080,794	4,781,694	9,499,475	4,648,193	4,848,452	9,344,590	1,891,418
Foreign tax credit .....	14,059,262	96	970,326	99,984	11,109,434	174,228	556,048	441,969	114,079	1,034,096	115,049
U.S. possessions tax credit .....	1,131,858	294	—	1,849	1,074,009	24,205	19,522	13,111	6,412	6,786	3,782

<sup>1</sup>Includes "Nature of business not allocable" which is not shown separately.<sup>2</sup>Includes "Wholesale and retail trade not allocable" which is not shown separately.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



# RETURNS OF ACTIVE CORPORATIONS

**Table 1.17 — Tax Items: Number of Returns by Selected Types of Tax, Dividend Items, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, and Small Business Corporations (Form 1120S), by Selected Industrial Divisions**

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	All industrial divisions		Agriculture, forestry and fishing		Mining		Construction		Manufacturing		Transportation and public utilities		Wholesale and retail trade		Finance, insurance, and real estate		Services
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)						
Number of Returns With Income Tax																	
Number of returns with—																	
Income tax, total	1,110,304	28,825	8,739	101,735	123,858	37,425	346,124	136,790	209,054	210,015	250,208						
Form 1120S	592	282	—	34	—	—	268	78	—	—	—						
Normal tax, surtax, and alternative tax before credits	1,093,249	27,301	8,271	97,207	120,790	36,075	337,372	132,931	204,161	206,547	246,334						
Normal tax, surtax, and alternative tax after credits	794,640	17,930	6,002	63,284	85,072	20,640	254,579	106,374	147,939	157,951	156,360						
Tax from recomputing prior-year investment credit	168,799	7,544	2,979	20,702	29,206	8,187	58,750	29,820	28,903	17,315	23,909						
Tax from recomputing prior-year work incentive (WIN) credit	303	119	—	—	64	—	202	14	—	8	—						
Total income tax after—																	
Foreign tax and U.S. possessions tax credits	1,109,447	28,824	8,721	101,724	123,554	37,419	346,020	136,750	208,990	209,959	249,860						
Investment, work incentive (WIN), and jobs credits	855,484	21,235	7,348	72,529	93,225	24,403	272,260	114,623	157,371	193,458	188,222						
Foreign tax, U.S. possessions tax, investment, work incentive (WIN), and jobs credits	854,286	21,234	7,329	72,517	92,797	24,381	272,155	114,582	157,307	193,392	187,686						
Returns With and Without Net Income																	
Number of returns	2,376,779	69,971	19,124	226,657	223,471	92,686	721,443	254,682	465,920	454,301	560,016						
Dividends received from domestic corporations, total	13,321,287	401,903	251,615	84,882	5,410,573	307,936	321,940	398,375	321,940	6,308,701	194,093						
Amount qualifying for 85 percent deduction	7,708,730	22,764	89,704	53,412	1,703,462	228,467	174,905	94,552	80,329	5,320,914	112,285						
Amount on certain public utility stock qualifying for 60.28 percent deduction	29,241	—	—	—	234	29	221	—	183	27,559	1,150						
Intergroup dividends qualifying for 100 percent deduction	1,700,966	3,213	70,676	3,813	317,737	49,057	278,369	52,535	225,835	942,268	35,574						
Amount received from a DISC or former DISC	3,856,663	10,899	90,904	26,259	3,886,142	30,092	255,572	246,914	8,658	16,537	40,141						
Domestic dividends received (1120S)	25,647	3,317	330	1,351	2,998	192	11,272	4,337	6,835	1,423	4,763						
Dividends received from foreign corporations, total	9,277,932	7,669	—	84,838	8,137,111	223,792	310,646	193,838	116,808	337,626	85,396						
Amount qualifying for 85 percent deduction	6,366	—	—	18	85	1	818	611	207	4,685	759						
Intergroup dividends qualifying for 100 percent deduction	174,667	—	—	7,500	136,285	1,497	12,591	10,000	113,988	21,313	944						
Other foreign dividends	9,096,200	7,622	93,512	80,045	8,000,551	221,980	297,208	183,220	113,988	311,591	83,690						
Foreign dividends received (1120S)	679	47	—	36	210	315	30	8	22	39	3						
Constructive taxable income from related foreign corporations, total	8,602,401	6,570	188,325	91,390	7,298,355	141,157	665,643	574,164	91,479	148,982	81,979						
Includable income of Controlled Foreign Corporations	1,547,129	88,990	88,990	35,621	1,237,391	56,385	94,571	87,722	6,848	15,813	17,704						
Foreign dividend income resulting from foreign taxes deemed paid	7,055,272	5,915	27,909	55,768	6,060,964	84,773	571,072	486,441	84,631	133,169	64,275						
Net income (less deficit)	248,867,473	1,286,962	27,709,582	5,676,327	113,518,786	21,001,954	35,759,358	10,991,954	15,663,175	33,873,934	7,866,125						
Statutory special deductions, total	15,770,206	279,202	420,554	771,664	4,548,500	879,291	1,693,812	715,370	1,753,974	6,194,170	978,842						
Net operating loss deduction	9,060,342	255,558	258,036	720,594	2,413,629	369,315	1,244,464	564,432	677,846	2,743,364	843,662						
Dividends received deduction	6,373,427	22,561	148,249	43,994	1,900,874	244,758	440,180	143,178	296,981	1,346,910	133,408						
Deduction for dividends paid on certain public utility stock	33,387	—	—	—	—	—	—	—	—	—	—						
Western Hemisphere Trade Corporation deduction	277,050	1,084	14,268	11,074	233,998	11,847	9,152	8,120	1,032	3,875	1,752						
Income subject to tax	239,631,773	1,386,949	29,041,850	6,420,188	114,374,088	22,090,821	30,594,403	4,531,349	16,053,325	26,968,842	8,589,087						
Income tax, total	107,888,445	485,580	13,837,808	2,427,708	53,092,051	10,394,378	12,479,414	5,990,841	6,485,763	11,920,213	3,190,125						
Normal tax, surtax, and alternative tax	106,976,893	475,815	13,741,509	2,398,869	52,753,150	10,252,353	12,366,647	5,940,450	6,443,419	11,756,250	3,151,307						
Tax from recomputing prior-year investment credit	570,927	9,124	18,591	25,630	229,483	124,417	86,219	45,483	40,704	42,776	34,512						
Tax from recomputing prior-year work incentive (WIN) credit	106	2	—	—	62	—	—	—	—	—	—						
Additional tax for tax preferences	340,519	640	77,686	3,209	109,356	17,604	6,534	4,900	1,635	121,184	4,306						
Foreign tax credit	26,357,629	13,210	12,512,804	116,160	11,654,365	222,436	594,197	478,029	116,169	1,103,998	140,459						
U.S. possessions tax credit	1,134,422	294	—	1,882	1,075,601	25,054	19,522	13,111	6,412	6,786	3,799						
Investment credit	12,897,172	100,232	234,247	331,104	5,175,795	4,765,971	1,087,793	432,258	654,949	695,842	500,305						
Work incentive (WIN) credit	16,469	117	—	279	12,044	483	3,378	1,886	1,492	1,094	1,087						
Jobs credit	3,093,915	31,117	44,138	481,331	956,211	123,751	860,923	345,315	515,214	204,232	386,149						
Normal tax, surtax, and alternative tax after credits	63,475,295	330,944	950,226	1,468,112	33,879,135	5,114,678	9,820,834	4,669,852	5,149,184	9,744,298	2,119,508						
Total income tax after—																	
Foreign tax and U.S. possessions tax credits	80,396,394	472,076	1,325,004	2,309,666	40,362,086	10,146,889	11,885,894	5,499,701	6,363,183	10,809,429	3,045,867						
Investment, work incentive (WIN), and jobs credits	354,214	1,614,993	1,614,993	1,614,993	46,946,000	5,504,197	10,527,320	5,211,363	5,314,107	10,130,045	2,302,584						
Foreign tax, U.S. possessions tax, investment, work incentive (WIN) and jobs credits	64,366,837	340,710	1,046,525	1,496,525	34,216,035	5,256,704	9,913,609	4,720,243	5,191,527	9,908,201	2,156,326						
Personal Holding Company tax	3,440	—	—	—	—	—	—	—	—	—	—						
Estimated tax payments, net total	48,013,939	196,000	763,355	985,603	26,603,330	3,560,293	7,481,591	3,539,470	3,920,550	6,920,748	1,558,701						
1978 overpayments claimed as a credit	2,923,932	91,791	118,647	118,647	1,185,852	210,643	201,956	301,704	270,198	208,168	186,232						
Less: Refund of estimated tax payments	46,256,882	177,888	742,459	913,933	25,785,203	3,438,768	7,078,644	3,351,179	3,726,028	6,737,837	1,400,550						
Payments with application for—	371,051	2,709	23,952	46,979	447,664	89,320	169,523	113,768	75,755	120,166	50,175						
First extension of filing time	9,192,444	34,879	149,930	240,247	4,633,600	1,020,491	1,276,829	580,124	696,436	1,509,140	323,891						
Second extension of filing time	5,636,877	8,740	103,603	71,416	3,041,682	758,937	610,751	205,914	404,731	675,584	164,710						
Credit for tax paid by regulated investment companies	3,980	—	—	—	—	—	—	—	—	—	—						
Credit for tax on special fuels, nonhighway gasoline, and lubricating oil	48,970	5,254	2,413	3,520	20,576	7,765	7,164	1,656	1,656	3,058	103						
Refundable energy credit	5,120	—	—	—	—	—	—	—	—	—	—						
Tax due at time of filing	6,406,494	138,447	149,828	449,036	2,029,044	297,807	1,581,557	915,303	685,481	1,312,414	434,643						
Tax overpayment	4,915,586	43,562	122,641	252,956	2,011,033	388,677	1,023,932	522,448	500,871	739,535	326,303						
Returns of Small Business Corporations, Form 1120S																	
Number of returns	478,679	26,214	3,033	52,916	37,467	19,968	167,711	48,310	119,382	55,830	113,759						
Net income	277,320	14,299	1,731	33,917	23,634	10,736	101,360	32,406	68,935	29,789	60,843						
Amount	8,594,131	538,064	182,176	887,622	1,391,103	346,632	2,858,997	1,312,226	1,543,948	1,002,134	1,355,801						
Deficit	3,245,390	292,564	171,293	322,695	291,103	193,476	942,050	674,547	270,808	270,808	746,967						
Income subject to corporation tax	12,462	2,166	—	1,516	—	—	—	—	—	—	—						
Income tax, total	3,719	666	—	455	—	—	—	—	—	—	—						
Normal tax, surtax, and alternative tax	3,719	666	—	455	—	—	—	—	—	—	—						

\* Estimate should be used with caution because of the small number of sample returns on which it is based.  
 \*\* Data deleted to avoid disclosure of information for specific corporations. Deleted data are included in the appropriate totals.  
 Includes "Nature of business not allocable" which is not shown separately.  
 Includes "Wholesale and retail trade not allocable" which is not shown separately.  
 Less than \$500 per return.  
 NOTE: Detail may not add to total because of rounding. Credits include foreign tax, U.S. possessions tax, investment, work incentive (WIN), and jobs credits. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORM 1120-DISC

Table 1.18 — Selected Business Energy Investment Credit Items, by Selected Industrial Divisions

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	All industrial divisions <sup>1</sup>		Selected industrial divisions							Finance, insurance, and real estate		Services
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
<b>Number of returns other than Form 1120-DISC</b>	<b>2,363,571</b>	<b>69,971</b>	<b>19,124</b>	<b>228,657</b>	<b>223,471</b>	<b>92,686</b>	<b>714,544</b>	<b>247,793</b>	<b>465,920</b>	<b>454,196</b>	<b>559,839</b>	
Returns with business energy investment credit items, other than Forms 1120S and 1120-DISC:												
Number of returns	1,970	67	17	203	712	80	538	280	258	194	158	
Cost of property usable for nonrefundable energy credit, total	1,885	7	19	188	781	66	582	280	302	95	146	
Amount	685,431	418	24,371	5,684	586,171	11,378	50,688	40,328	10,360	4,040	2,394	
Alternative energy property:												
Number of returns	485	..	7	*129	202	19	87	19	68	31	..	
Amount	285,491	..	12,918	*924	263,269	2,298	4,829	2,200	2,629	1,005	..	
Specialty defined energy property:												
Number of returns	680	..	7	—	291	22	250	45	205	45	60	
Amount	173,966	..	2,029	—	152,750	3,368	10,225	3,249	6,975	3,032	2,215	
Recycling equipment:												
Number of returns	549	..	..	*59	236	..	237	208	29	..	..	
Amount	145,217	..	..	*4,760	97,535	..	35,419	34,663	756	..	..	
Shale oil equipment:												
Number of returns	*5	—	..	—	..	..	—	—	—	—	—	
Amount	*7,778	—	..	—	..	..	—	—	—	—	—	
Equipment for producing natural gas from geopressured brine:												
Number of returns	166	—	—	—	..	*12	*8	*8	—	..	*77	
Amount	72,979	—	—	—	..	*317	*216	*216	—	..	*132	
Cost of property usable for refundable energy credit, solar and wind:												
Number of returns	44	*7	..	—	7	..	3	31	—	14	..	
Amount	4,038	*20	..	—	2,820	..	3	31	—	716	*372	
Nonrefundable energy credit:												
Number of returns	1,702	7	12	188	683	59	512	263	249	95	146	
Amount	61,955	40	2,354	527	52,649	1,044	4,706	3,684	1,021	393	242	
Refundable energy credit:												
Number of returns	267	*53	*5	*15	34	*15	35	*27	*8	96	*14	
Amount	5,120	*24	*35	*95	429	*23	745	*723	*22	585	*3,204	
Returns of Small Business Corporations, Form 1120S, with business energy investment credit items:												
Number of returns	*30	—	—	..	..	—	*14	*8	*6	—	—	
Cost of property usable for nonrefundable energy credit by stockholders	*1,044	—	—	..	..	—	*195	*162	*24	—	—	
Cost of property usable for refundable energy credit by stockholders	*160	—	—	..	..	—	*2	—	*2	—	—	

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

\*\*Data deleted to avoid disclosure of information for specific corporations. Deleted data are included in the appropriate totals.

<sup>1</sup>Includes "Nature of business not allocable" which is not shown separately.

<sup>2</sup>Includes "Wholesale and retail trade not allocable" which is not shown separately.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## Part 2

### Tables for 1979

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## RETURNS OF ACTIVE CORPORATIONS

**Table 2.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Minor industry	Number of returns		Total receipts		Business receipts	Cost of sales and operations	Net income (less deficit)	Net income	Income subject to tax	Total income tax
	Total	With net income	All returns	Returns with net income						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>Total returns of active corporations.....</b>	<b>2,558,794</b>	<b>1,586,485</b>	<b>5,598,688,129</b>	<b>4,090,972,248</b>	<b>5,136,075,461</b>	<b>3,709,672,825</b>	<b>284,615,731</b>	<b>321,649,781</b>	<b>279,376,063</b>	<b>120,047,034</b>
<b>Agriculture, forestry, and fishing.....</b>	<b>83,489</b>	<b>50,886</b>	<b>53,345,996</b>	<b>38,578,745</b>	<b>50,590,436</b>	<b>37,795,256</b>	<b>1,299,975</b>	<b>2,598,762</b>	<b>1,675,005</b>	<b>530,649</b>
Agricultural production.....	59,418	38,290	40,448,692	30,576,224	38,214,281	28,451,540	1,003,978	2,137,093	1,330,307	423,012
Agricultural services (except veterinarians), forestry, fishing, hunting, and trapping.....	24,071	12,596	12,897,304	8,002,521	12,376,156	9,343,716	295,996	461,670	344,698	107,837
<b>Mining.....</b>	<b>23,919</b>	<b>11,110</b>	<b>132,542,644</b>	<b>117,684,172</b>	<b>127,454,324</b>	<b>80,225,485</b>	<b>43,058,598</b>	<b>44,889,763</b>	<b>44,043,753</b>	<b>20,210,019</b>
Metal mining.....	1,039	82	6,923,247	5,715,664	6,443,411	4,293,916	384,083	532,090	410,249	197,154
Iron ores.....	34	*29	2,135,532	*1,477,193	1,997,835	*1,451,280	103,103	*137,898	*52,346	*22,210
Copper, lead and zinc, gold and silver ores.....	869	49	4,083,881	3,974,112	3,797,786	2,463,481	326,170	378,581	353,211	172,739
Other metal mining.....	136	*4	703,835	*264,359	647,790	379,155	-45,190	*15,672	*4,691	*2,205
Coal mining.....	4,014	1,205	14,550,449	7,098,904	13,879,991	9,923,138	-79,204	488,421	318,263	165,686
Oil and gas extraction.....	15,485	7,805	102,276,994	96,879,642	98,676,714	40,719,019	42,160,028	43,205,237	42,728,525	19,575,606
Crude petroleum, natural gas, and natural gas liquids.....	6,124	2,821	85,481,651	83,353,642	82,595,238	31,081,600	41,006,956	41,584,418	41,328,509	18,971,551
Oil and gas field services.....	9,361	4,984	16,795,343	13,526,000	15,717,475	9,637,419	1,153,072	1,620,819	1,400,016	604,056
Nonmetallic minerals, except fuels.....	3,381	2,018	8,791,953	7,989,962	8,454,208	5,289,391	593,692	664,014	586,715	271,572
Dimension, crushed, and broken stone, sand and gravel.....	3,039	1,850	5,903,906	5,124,458	5,679,173	3,727,973	369,764	419,368	369,687	156,801
Other nonmetallic minerals, except fuels.....	342	168	2,888,047	2,865,504	2,775,035	1,561,418	223,927	244,646	217,028	114,772
<b>Construction.....</b>	<b>249,887</b>	<b>155,123</b>	<b>252,852,706</b>	<b>201,550,742</b>	<b>246,890,383</b>	<b>199,975,173</b>	<b>5,985,390</b>	<b>8,903,932</b>	<b>7,250,471</b>	<b>2,545,393</b>
General building contractors and operative builders.....	107,168	58,224	109,008,855	84,719,968	105,955,605	91,369,283	1,950,870	3,257,917	2,580,269	908,418
General building contractors.....	103,932	56,686	102,583,393	80,307,162	99,919,850	86,506,429	1,774,313	2,986,595	2,376,403	824,075
Operative builders.....	3,236	1,538	6,425,462	4,412,806	6,035,754	4,862,855	176,557	271,322	203,866	84,343
Heavy construction contractors.....	16,384	10,999	53,716,685	42,855,552	51,812,773	41,998,246	1,750,287	2,268,638	1,993,508	820,555
Special trade contractors.....	126,335	85,900	90,127,165	73,975,221	89,121,986	66,607,644	2,284,233	3,377,177	2,676,694	816,420
Plumbing, heating, and air conditioning.....	29,013	18,611	22,223,149	17,936,356	22,003,110	17,079,548	499,307	681,616	551,570	155,940
Electrical work.....	19,021	13,656	16,359,784	13,182,176	16,144,349	12,514,751	419,740	538,685	416,691	127,746
Other special trade contractors and contractors not allocable.....	78,301	53,633	51,544,232	42,856,690	50,974,526	37,013,345	1,365,186	2,156,876	1,708,434	532,734
<b>Manufacturing.....</b>	<b>236,564</b>	<b>161,075</b>	<b>2,152,860,164</b>	<b>1,968,343,405</b>	<b>2,072,665,265</b>	<b>1,522,576,018</b>	<b>130,370,486</b>	<b>139,688,842</b>	<b>133,051,625</b>	<b>58,976,752</b>
Food and kindred products.....	15,134	9,559	239,432,739	210,445,639	234,348,639	180,113,251	8,346,322	9,099,097	8,778,410	3,955,792
Meat products.....	2,176	1,750	55,382,877	45,770,364	54,668,727	47,824,525	723,766	844,823	784,675	351,323
Dairy products.....	1,110	745	33,785,944	31,578,049	33,248,217	26,683,858	1,282,165	1,333,032	1,309,711	589,583
Preserved fruits and vegetables.....	294	186	23,147,907	19,301,790	22,398,887	16,490,396	746,745	826,184	798,948	367,791
Grain mill products.....	1,139	644	32,056,937	30,103,562	31,157,778	23,552,667	1,417,294	1,492,841	1,479,779	675,394
Bakery products.....	4,592	2,755	11,918,170	10,385,521	11,786,692	7,313,363	420,039	457,314	443,583	192,020
Sugar and confectionery products.....	511	323	11,584,326	7,870,447	11,281,437	7,975,108	398,302	487,999	469,057	211,892
Malt liquors and malt.....	34	29	9,358,087	8,063,663	9,256,590	5,920,218	276,222	333,528	315,476	144,764
Alcoholic beverages, except malt liquors and malt.....	611	240	13,333,858	13,148,861	12,922,038	8,929,143	621,793	635,938	614,366	277,193
Bottled soft drinks, and flavonings.....	1,132	875	18,524,299	17,265,027	17,916,527	11,824,083	1,504,071	1,547,857	1,485,861	673,656
Other food and kindred products.....	3,535	2,012	30,340,273	26,958,354	29,711,748	23,599,890	955,924	1,139,580	1,076,953	472,176
Tobacco manufactures.....	103	**	23,672,111	**	22,791,759	13,216,256	2,269,522	**	2,129,736	974,173
Textile mill products.....	5,497	3,448	41,824,359	34,804,550	41,318,210	32,237,471	1,500,849	1,873,936	1,785,115	800,571
Weaving mills and textile finishing.....	1,065	570	14,527,442	12,103,904	14,303,952	11,218,059	534,164	617,195	612,123	277,029
Knitting mills.....	2,511	1,513	8,000,110	6,066,732	7,902,713	6,156,738	200,809	342,277	304,065	133,350
Other textile mill products.....	1,921	1,365	19,396,807	16,633,915	19,111,545	14,862,674	765,876	914,465	868,926	390,193
Apparel and other textile products.....	16,013	9,451	42,248,265	35,760,001	41,529,835	30,984,570	1,551,232	1,903,712	1,762,577	749,317
Men's and boys' clothing.....	1,850	1,531	13,690,538	12,178,131	13,330,368	9,768,747	671,857	739,153	722,413	322,153
Women's and children's clothing.....	8,912	4,805	18,981,595	15,669,904	18,750,306	14,041,867	583,270	764,701	659,960	274,013
Other apparel and accessories.....	1,732	1,222	2,893,975	2,521,193	2,846,248	2,171,248	113,349	138,854	133,623	54,650
Miscellaneous fabricated textile products, textile products, not elsewhere classified.....	3,519	1,893	6,682,157	5,390,774	6,602,913	5,002,707	182,756	261,004	246,581	98,501
Lumber and wood products.....	13,182	9,535	55,392,211	50,545,750	51,809,836	39,181,348	3,276,562	3,596,233	3,391,886	1,152,532
Logging, sawmills, and planing mills.....	4,871	3,857	23,645,375	21,807,791	21,372,980	16,066,081	1,744,022	1,896,859	1,782,073	558,387
Millwork, plywood, and related products.....	3,738	2,548	19,841,540	18,412,454	18,987,216	14,413,297	1,049,450	1,128,532	1,088,749	395,972
Other wood products, including wood buildings and mobile homes.....	4,573	3,130	11,905,296	10,325,504	11,449,639	8,701,970	483,090	570,842	521,064	198,173
Furniture and fixtures.....	7,221	5,399	19,995,655	15,744,620	19,655,110	14,181,932	815,804	1,023,106	960,945	408,544
Paper and allied products.....	3,347	2,577	55,486,806	52,796,964	52,108,930	36,508,077	4,660,320	4,753,704	4,683,236	1,855,351
Pulp, paper, and board mills.....	405	221	33,169,756	32,220,228	30,500,654	21,614,319	2,852,551	2,890,015	2,883,833	1,057,314
Other paper products.....	2,942	2,356	22,317,050	20,576,736	21,608,276	14,893,758	1,807,768	1,863,689	1,799,403	798,037
Printing and publishing.....	37,580	24,300	62,616,240	56,985,454	60,475,168	37,960,380	5,091,005	5,552,735	5,140,297	2,202,091
Newspapers.....	4,418	3,235	19,458,138	18,689,007	18,644,152	11,412,738	2,526,330	2,583,636	2,420,052	1,060,064
Periodicals.....	4,517	2,766	9,371,337	8,096,328	8,998,736	6,085,347	489,182	596,158	512,247	217,450
Books, greeting cards, and miscellaneous publishing.....	5,924	3,258	11,628,002	10,472,895	11,001,109	5,960,484	882,955	1,030,918	962,058	434,905
Commercial and other printing and printing trade services.....	22,721	15,041	22,158,762	19,727,224	21,831,172	14,501,810	1,192,537	1,362,022	1,245,941	489,673
<b>Chemicals and allied products.....</b>	<b>10,477</b>	<b>6,425</b>	<b>173,067,985</b>	<b>163,480,429</b>	<b>166,170,335</b>	<b>109,886,043</b>	<b>13,443,274</b>	<b>13,976,789</b>	<b>13,644,185</b>	<b>6,203,093</b>
Industrial chemicals, plastics materials and synthetics.....	3,838	2,021	77,813,202	74,380,163	74,800,276	50,277,330	5,231,961	5,412,874	5,290,935	2,405,711
Drugs.....	408	351	33,541,203	31,911,935	31,420,275	17,500,393	4,762,885	4,856,614	4,774,396	2,172,194
Soap, cleaners, and toilet goods.....	1,630	918	32,988,234	32,432,249	32,106,488	22,576,576	2,374,220	2,397,263	2,365,202	1,079,100
Paints and allied products.....	1,447	1,118	5,844,544	5,204,765	5,775,858	4,002,753	237,308	274,676	269,189	116,997
Agricultural and other chemical products.....	3,154	2,017	22,880,802	19,551,317	22,067,437	15,528,990	836,901	1,035,363	944,464	429,092
Petroleum (including integrated) and coal products.....	1,137	1,051	464,251,893	449,025,741	448,935,591	365,653,037	32,965,522	33,170,394	31,037,830	14,050,563
Petroleum refining (including integrated).....	392	328	459,888,367	445,113,554	444,670,221	362,460,736	32,730,222	32,922,334	30,795,789	13,945,853
Petroleum and coal products, not elsewhere classified.....	745	723	4,363,527	3,912,188	4,265,370	3,192,301	235,300	248,060	242,041	104,710
Rubber and miscellaneous plastics products.....	9,488	6,444	44,370,747	38,704,864	43,330,721	30,891,797	1,653,040	1,915,445	1,801,998	765,461
Rubber products, plastics footwear, hose and belting.....	1,468	876	26,714,872	24,057,482	26,051,579	18,800,091	745,238	820,650	778,499	345,979
Miscellaneous plastics products.....	8,020	5,568	17,655,875	14,647,382	17,279,142	12,091,706	907,802	1,094,795	1,023,499	419,482
Leather and leather products.....	2,894	1,541	13,436,390	11,873,769	13,189,932	9,589,608	588,698	673,768	608,667	267,070
Footwear, except rubber.....	434	245	9,062,891	8,380,241	8,850,653	6,251,013	454,744	493,703	443,957	201,526
Leather and leather products, not elsewhere classified.....	2,460	1,296	4,373,499	3,493,528	4,339,279	3,338,595	133,954	180,065	164,710	65,544

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 2.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry — Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Minor industry	Number of returns		Total receipts		Business receipts	Cost of sales and operations	Net income (less deficit)	Net income	Income subject to tax	Total income tax
	Total	With net income	All returns	Returns with net income						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Manufacturing — Continued										
Stone, clay, and glass products	8,526	6,398	47,114,876	44,160,665	45,667,873	31,604,844	2,865,128	3,044,238	2,889,810	1,244,227
Glass products	1,086	642	13,641,069	13,204,273	13,223,067	8,896,097	755,685	791,563	740,805	327,426
Cement, hydraulic	302	144	4,468,376	4,305,618	4,273,945	2,890,960	355,535	377,507	366,057	160,999
Concrete, gypsum, and plaster products	5,136	4,138	16,564,873	15,447,917	16,217,636	11,541,974	1,020,204	1,085,985	1,021,882	431,913
Other nonmetallic mineral products	2,002	1,474	12,440,558	11,202,858	11,953,226	8,275,812	733,704	789,183	761,066	323,890
Primary metal industries	3,850	3,110	148,298,739	129,024,760	144,306,708	111,903,909	5,449,689	5,898,456	5,581,624	2,522,280
Ferrous metal industries; miscellaneous										
primary metal products	2,427	2,205	86,924,499	70,966,974	84,872,610	64,562,956	2,681,016	2,986,931	2,866,889	1,270,904
Nonferrous metal industries	1,423	905	61,374,240	56,057,786	59,434,097	47,320,952	2,768,673	2,911,525	2,714,735	1,251,376
Fabricated metal products	34,956	26,414	110,772,897	100,297,797	108,171,188	77,809,268	6,616,517	7,242,468	6,785,587	2,879,082
Metal cans and shipping containers	164	136	11,810,389	11,516,686	11,460,028	8,230,370	510,455	524,204	495,080	219,538
Cutlery, hand tools, and hardware, screw machine products, bolts, and similar products	3,455	2,939	14,055,042	13,025,640	13,704,241	8,901,235	1,214,012	1,286,549	1,227,321	533,693
Plumbing and heating, except electric and warm air	754	691	5,383,156	4,970,863	5,270,759	3,574,967	415,599	434,683	415,332	186,992
Fabricated structural metal products	8,305	6,509	30,864,714	28,119,356	30,287,877	23,130,608	1,634,753	1,829,485	1,713,016	716,695
Metal forgings and stampings	5,457	3,882	11,846,188	10,556,985	11,660,098	8,507,440	617,399	700,542	658,953	277,168
Coating, engraving, and allied services	2,608	1,986	4,976,097	4,700,713	4,874,342	3,206,166	291,682	305,168	266,481	101,124
Ordnance and accessories, except vehicles and guided missiles	531	26	1,052,387	914,092	1,034,034	729,222	69,363	83,762	81,005	36,987
Miscellaneous fabricated metal products	13,682	10,245	30,784,923	26,493,462	29,879,810	21,529,260	1,863,254	2,078,075	1,928,400	806,886
Machinery, except electrical	27,089	19,264	161,346,222	151,808,520	149,191,859	96,318,977	15,308,245	15,956,052	15,617,526	7,012,176
Farm machinery	2,181	795	14,635,600	12,728,092	13,644,850	9,685,278	621,340	746,501	727,003	327,072
Construction and related machinery	1,259	1,204	30,965,276	29,591,635	29,738,016	20,540,456	2,622,955	2,694,637	2,637,653	1,203,124
Metalworking machinery	8,656	6,796	14,547,702	13,696,216	14,190,790	8,996,749	1,317,266	1,349,600	1,291,470	531,247
Special industry machinery	3,083	2,389	14,415,027	12,905,505	13,919,502	9,810,193	819,775	923,197	886,485	385,490
General industrial machinery	4,113	2,575	22,630,687	21,401,029	21,909,600	14,996,190	1,619,260	1,717,399	1,675,601	748,270
Office, computing, and accounting machines	861	299	46,081,050	44,839,730	38,204,530	19,928,170	7,204,839	7,328,012	7,267,864	3,332,060
Other machinery, except electrical	6,936	5,206	18,070,881	16,646,314	17,584,572	12,361,939	1,102,810	1,198,707	1,131,450	484,912
Electrical and electronic equipment	14,120	10,150	150,297,538	134,088,767	143,675,004	97,419,531	8,708,283	9,941,237	9,991,774	4,201,613
Household appliances	647	637	12,884,699	12,742,670	12,494,797	8,567,858	764,762	782,097	738,717	335,106
Radio, television, and communication equipment	1,859	859	37,089,435	34,875,709	34,651,326	24,411,385	1,792,131	2,021,293	1,810,909	800,215
Electronic components and accessories	6,427	4,899	38,656,636	36,018,728	37,517,505	25,587,534	2,490,125	2,772,811	2,611,943	1,156,156
Other electrical equipment	5,187	3,755	61,666,769	50,451,661	59,011,377	38,852,754	3,661,264	4,365,037	4,230,206	1,910,137
Motor vehicles and equipment	2,142	1,600	162,432,520	147,403,368	154,991,598	115,910,195	8,329,856	9,148,274	9,022,432	4,139,387
Transportation equipment, except motor vehicles	2,697	1,527	65,526,107	55,815,339	62,504,982	46,844,255	1,782,170	2,855,329	2,498,694	1,120,186
Aircraft, guided missiles and parts	772	702	52,931,178	46,471,216	50,261,103	37,258,358	1,445,776	2,266,035	1,955,390	887,421
Ship and boat building and repairing	1,456	562	6,568,406	5,430,962	6,353,997	4,882,992	271,284	369,883	330,114	138,349
Other transportation equipment, except motor vehicles	469	263	6,006,523	3,913,161	5,889,882	4,702,905	65,109	219,410	213,190	94,417
Instruments and related products	7,614	4,507	38,516,898	34,322,608	36,867,546	22,231,774	3,617,914	3,941,117	3,814,528	1,728,369
Scientific instruments and measuring devices, watches and clocks	2,711	1,448	15,071,969	13,163,844	14,495,845	8,783,774	1,195,472	1,354,012	1,304,384	590,093
Optical, medical, and ophthalmic goods	4,566	2,893	12,563,895	11,333,702	12,042,791	7,268,452	1,026,879	1,134,770	1,075,854	477,925
Photographic equipment and supplies	337	166	10,881,034	9,825,062	10,328,909	6,179,547	1,395,562	1,452,335	1,434,290	660,351
Miscellaneous manufacturing and manufacturing not allocable	13,497	**	32,458,964	**	31,624,439	22,129,492	1,530,532	**	1,724,767	744,872
Transportation and public utilities.....	103,770	59,649	445,978,021	376,986,197	432,328,292	282,924,553	18,355,601	21,907,705	20,734,781	9,252,511
Transportation	82,105	46,341	181,339,436	140,700,800	173,907,668	123,957,325	4,488,603	6,803,690	6,042,687	2,500,538
Railroad transportation	527	159	38,130,899	31,891,732	35,110,225	26,419,688	959,756	1,843,009	1,798,467	770,237
Local and interurban passenger transit	10,385	5,727	3,039,787	2,093,157	2,943,995	1,779,698	135,932	184,866	159,496	55,792
Trucking and warehousing	35,631	21,900	57,862,518	46,400,961	56,449,019	36,590,207	1,481,555	1,937,448	1,716,078	667,856
Water transportation	9,744	4,032	15,117,699	9,850,859	14,405,461	10,309,354	511,334	771,625	643,095	269,046
Transportation by air	6,365	2,320	36,344,901	23,991,531	34,790,404	24,865,560	117,565	640,172	591,080	257,552
Pipelines, except natural gas	184	140	12,180,422	11,688,481	12,075,312	10,225,225	899,110	910,486	726,968	331,828
Transportation services, not elsewhere classified	19,269	12,063	18,663,209	14,784,080	18,133,251	13,767,593	383,351	516,084	407,503	148,228
Communication	9,069	5,466	91,883,942	90,340,404	89,903,885	41,754,198	7,190,105	7,391,739	7,112,503	3,301,557
Telephone, telegraph, and other communication services	4,496	2,411	78,992,671	78,439,283	77,525,522	35,038,071	5,735,555	5,782,947	5,605,709	2,638,312
Radio and television broadcasting	4,573	3,055	12,891,271	11,901,120	12,378,364	6,716,127	1,454,550	1,608,792	1,506,794	663,246
Electric, gas, and sanitary services	12,596	7,842	172,754,644	145,944,993	168,516,739	117,213,030	6,676,893	7,712,276	7,579,591	3,450,415
Electric services	394	96	51,611,073	43,109,926	50,793,428	31,081,157	1,945,566	2,357,657	2,324,940	1,072,441
Gas production and distribution	1,795	1,599	78,187,477	68,516,821	76,092,739	60,075,108	3,223,702	3,464,238	3,412,211	1,549,344
Combination utility services	463	457	38,098,811	30,242,001	36,934,502	23,640,415	1,206,999	1,507,003	1,486,862	663,543
Water supply and other sanitary services	9,944	5,690	4,857,282	4,076,244	4,696,069	2,416,350	300,626	383,378	355,578	145,087
Wholesale and retail trade.....	772,598	500,211	1,752,708,933	1,497,703,382	1,713,929,230	1,364,156,032	40,181,385	48,189,112	34,697,843	13,419,871
Wholesale trade	265,746	188,498	970,684,572	862,502,084	956,130,361	815,073,933	25,753,036	29,450,622	18,620,507	7,298,553
Groceries and related products	24,299	16,175	143,610,263	121,991,852	142,283,783	125,679,408	1,288,170	1,715,053	1,389,066	527,839
Machinery, equipment, and supplies	56,108	43,380	111,028,686	100,431,130	108,067,237	81,331,512	5,875,129	6,373,164	3,083,673	1,142,360
Miscellaneous wholesale trade	185,339	128,943	716,045,622	640,079,101	705,779,342	608,063,013	18,589,737	21,362,405	14,167,768	5,628,354
Motor vehicles and automotive equipment	20,098	15,163	50,695,031	43,178,478	50,036,038	39,779,965	2,016,926	2,245,952	1,351,172	536,453
Furniture and home furnishings	5,512	2,446	8,625,453	6,937,915	8,459,285	6,321,648	87,722	202,874	159,207	59,217
Lumber and construction materials	9,741	7,681	34,992,679	30,385,220	34,526,431	28,603,959	946,648	1,049,964	839,896	311,765
Sporting, recreational, photographic, and hobby goods, toys, and supplies	2,426	1,431	6,143,457	4,076,719	6,055,592	4,519,960	32,590	194,164	132,657	54,308
Metals and minerals, except petroleum and scrap	6,005	4,025	63,532,283	58,656,563	62,757,265	57,941,305	916,542	1,069,027	780,307	335,185
Electrical goods	16,488	11,411	38,896,132	33,679,756	38,083,428	28,360,554	2,109,355	2,314,127	1,079,831	424,764
Hardware, plumbing, and heating equipment and supplies	13,645	10,497	29,988,9							



## RETURNS OF ACTIVE CORPORATIONS

Table 2.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Minor industry	Number of returns		Total receipts		Business receipts	Cost of sales and operations	Net income (less deficit)	Net income	Income subject to tax	Total income tax
	Total	With net income	All returns	Returns with net income						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>Wholesale and retail trade — Continued</b>										
Retail trade	505,440	311,058	779,904,603	633,969,060	755,696,140	547,274,267	14,418,291	18,712,256	16,061,028	6,114,457
Building materials, garden supplies, and mobile home dealers	41,248	29,939	45,218,829	39,634,431	44,341,435	32,370,433	1,382,049	1,605,009	1,374,441	462,995
Building materials dealers	20,183	14,189	30,727,175	27,616,136	30,240,022	22,461,621	987,545	1,114,589	984,552	355,763
Hardware stores	12,855	9,508	7,560,774	6,568,198	7,424,672	4,976,288	260,364	298,268	257,397	72,571
Garden supplies and mobile home dealers	8,411	6,242	6,930,880	5,450,097	6,676,741	4,932,524	134,139	192,152	132,493	34,661
General merchandise stores	8,297	5,965	124,476,719	114,551,900	111,309,337	72,283,642	3,283,779	3,512,759	3,203,713	1,425,830
Food stores	37,663	24,042	169,064,537	143,262,010	167,426,552	130,512,372	2,222,475	2,638,663	2,404,357	1,005,439
Grocery stores	24,157	18,561	160,270,750	137,741,464	158,720,761	124,270,542	2,229,954	2,502,568	2,296,897	969,678
Other food stores	13,506	5,481	8,793,786	5,520,546	8,705,791	6,241,831	-7,478	136,095	107,460	35,761
Automotive dealers and service stations	82,834	49,873	213,377,638	150,068,117	209,957,842	178,066,222	1,411,064	2,534,897	2,175,200	722,159
Motor vehicle dealers	38,904	20,630	158,864,528	104,075,401	156,095,332	134,615,268	367,325	1,243,006	1,071,882	354,822
Gasoline service stations	17,727	13,132	34,689,523	30,360,621	34,366,770	29,318,547	697,904	776,435	675,214	243,872
Other automotive dealers	26,203	16,111	19,823,587	15,632,096	19,495,740	14,132,407	345,835	515,456	428,104	123,464
Apparel and accessory stores	44,422	27,397	31,416,886	25,146,240	30,766,347	18,239,057	992,482	1,378,691	1,205,812	460,128
Furniture and home furnishings stores	41,284	27,239	30,494,511	24,750,593	29,859,389	18,806,309	809,244	1,087,508	896,235	298,577
Eating and drinking places	108,462	52,586	56,880,119	41,560,626	54,909,723	23,700,943	1,402,646	2,244,269	1,697,813	620,937
Miscellaneous retail stores	141,229	94,017	108,975,333	94,995,144	107,125,515	73,295,288	2,914,552	3,710,461	3,103,456	1,118,392
Drug stores and proprietary stores	16,792	12,318	26,717,431	25,320,109	26,459,456	19,302,329	706,109	778,306	719,395	292,793
Liquor stores	10,377	7,232	6,532,742	5,209,384	6,479,957	5,068,099	114,545	144,669	98,349	24,894
Other retail stores	114,060	74,417	75,725,161	64,465,650	74,166,102	48,924,861	2,093,898	2,787,486	2,285,711	800,705
Wholesale and retail trade not allocable	1,412	655	2,119,759	1,232,238	2,102,729	1,807,831	10,058	26,233	16,309	6,861
<b>Finance, insurance, and real estate</b>	<b>471,222</b>	<b>281,548</b>	<b>561,106,022</b>	<b>495,231,051</b>	<b>255,128,441</b>	<b>123,513,417</b>	<b>36,959,270</b>	<b>43,207,792</b>	<b>28,238,662</b>	<b>11,749,927</b>
Banking	13,645	12,157	172,220,355	151,845,922	174,144,458	2,969,054	733,722	8,510,247	7,905,217	3,412,268
Mutual savings banks	439	404	13,383,277	10,932,574	452,127	91,981	415,627	513,164	300,043	131,003
Bank holding companies	1,578	1,239	110,649,860	104,421,214	13,772,826	2,785,766	4,943,635	5,108,251	4,852,952	2,175,460
Banks, except mutual savings banks and bank holding companies	11,628	10,514	48,187,218	36,492,134	3,319,505	91,307	1,974,685	2,888,831	2,752,216	1,105,804
Credit agencies other than banks	53,825	31,015	69,742,445	59,472,791	10,792,881	2,938,827	2,879,646	4,021,426	3,612,927	1,591,583
Savings and loan associations	4,508	3,946	47,910,028	40,418,067	2,541,380	1,683,846	1,683,846	2,123,584	2,056,248	957,483
Personal credit institutions	5,213	2,617	8,199,298	7,804,484	5,178,435	2,159,140	435,086	488,414	445,309	184,079
Business credit institutions	663	440	2,446,939	2,197,334	1,289,673	*17,896	369,335	435,381	427,742	194,743
Other credit agencies; finance not allocable	43,440	24,012	11,186,179	9,052,906	1,783,393	403,374	391,380	974,047	683,628	255,278
Security, commodity brokers and services	6,743	4,499	13,954,140	11,748,253	5,911,725	604,537	576,362	936,850	793,938	331,121
Security brokers, dealers, and flotation companies	3,443	2,698	11,299,046	9,795,864	3,653,198	200,533	670,205	781,481	667,821	278,551
Commodity contracts brokers and dealers; security and commodity exchanges; and allied services	3,300	1,801	2,655,094	1,952,588	2,258,527	404,004	-93,843	155,370	126,117	52,570
Insurance	8,005	5,710	226,335,472	213,988,731	176,616,309	102,370,279	12,162,432	12,656,325	9,503,376	4,306,488
Life insurance	1,787	1,343	124,684,178	118,058,135	87,735,741	48,698,370	7,662,837	7,852,883	6,867,548	3,132,891
Mutual insurance, except life or marine and certain fire or flood insurance companies	1,308	1,114	28,725,502	26,616,479	25,756,881	17,037,025	1,011,389	1,096,731	816,839	363,800
Other insurance companies	4,910	3,253	72,925,792	69,314,117	63,123,687	36,634,884	3,488,280	3,706,710	1,818,989	809,797
Insurance agents, brokers, and service	45,082	30,113	14,194,448	11,260,832	13,540,066	2,847,154	1,092,053	1,282,354	1,021,182	377,271
Real estate	294,104	166,399	45,724,025	31,365,980	27,047,489	9,284,721	3,095,610	5,378,258	3,864,678	1,196,805
Real estate operators and lessors of buildings	158,597	99,125	17,113,022	12,184,150	7,197,354	2,791,025	1,473,606	2,355,867	1,931,718	554,206
Lessors of mining, oil, and similar property	697	476	294,708	243,404	50,278	*25,215	129,829	138,872	122,691	43,865
Lessors of railroad property, and of real property, not elsewhere classified	6,730	4,312	300,701	217,732	74,099	28,117	39,839	64,813	49,723	10,990
Condominium management and cooperative housing associations	5,057	2,398	831,446	216,557	616,652	*283	-67,095	19,583	13,998	3,616
Subdividers and developers	33,338	16,063	8,063,525	5,991,956	1,804,323	990,692	991,423	1,637,007	1,050,425	383,195
Other real estate	89,685	44,025	19,120,623	12,512,181	17,304,783	5,449,389	528,008	1,162,118	696,122	200,934
Holding and other investment companies, except bank holding companies	49,818	31,655	18,935,936	15,548,542	4,075,510	2,498,844	9,819,240	10,422,333	1,537,351	534,390
Regulated investment companies	1,021	786	8,634,332	7,943,001	*68	—	7,297,385	7,299,319	*390	*83
Real estate investment trusts	264	52	1,035,177	590,315	2,495	—	78,680	130,360	35	16
Small business investment companies	792	694	134,140	105,679	30,295	—	36,795	46,243	22,296	7,402
Other holding and investment companies, except bank holding companies	47,741	30,123	9,132,287	6,909,547	4,042,653	2,498,844	2,406,880	2,946,411	1,514,630	526,888
<b>Services</b>	<b>603,445</b>	<b>361,741</b>	<b>245,107,895</b>	<b>192,743,853</b>	<b>235,009,870</b>	<b>117,160,747</b>	<b>8,306,989</b>	<b>12,109,401</b>	<b>9,554,446</b>	<b>3,323,410</b>
Hotels and other lodging places	18,789	9,909	16,321,571	12,409,738	15,259,320	7,357,033	966,101	1,277,599	999,047	405,015
Personal services	44,663	27,433	12,140,081	10,424,928	11,806,187	5,905,304	522,465	668,716	532,155	183,023
Business services	151,031	87,356	73,200,299	58,113,415	70,158,741	40,359,422	2,454,101	3,677,498	3,094,120	1,126,945
Advertising	17,015	9,290	17,386,974	15,274,567	17,120,687	12,454,486	544,233	631,211	563,464	221,230
Business services, except advertising	134,016	78,066	55,813,324	42,838,848	53,038,053	27,904,936	1,909,866	3,046,287	2,530,656	905,715
Auto repair, miscellaneous repair services	65,354	40,868	27,028,786	20,372,011	25,931,614	14,374,045	546,089	919,796	710,797	218,396
Auto repair and services	44,307	27,085	20,511,722	15,960,980	19,524,801	10,407,545	331,035	618,090	495,221	155,274
Miscellaneous repair services	21,047	13,783	6,517,065	5,011,032	6,406,813	3,966,500	215,055	301,706	215,576	63,122
Amusement and recreation services	48,178	26,095	27,905,753	22,504,230	25,528,267	13,512,613	1,321,974	1,894,527	1,476,733	605,141
Motion picture production, distribution, and services	7,035	4,294	10,506,042	9,172,534	9,481,848	5,378,823	556,727	668,417	570,565	247,718
Motion picture theaters	2,091	876	3,405,031	2,805,413	3,124,308	1,660,030	137,195	168,070	126,375	52,681
Amusement and recreation services, except motion pictures	39,052	20,825	13,994,680	10,526,282	12,922,112	6,473,761	628,052	1,060,041	779,793	304,742
Other services	275,430	170,080	88,511,205	69,099,332	86,325,748	35,672,330	2,496,259	3,671,266	2,741,594	784,899
Offices of physicians, including osteopathic physicians	80,131	61,009	24,702,143	19,249,949	24,416,413	5,547,077	534,522	680,138	592,583	116,184
Offices of dentists	24,900	18,171	5,990,150	4,583,991	5,930,886	1,967,723	129,572	150,170	129,514	24,146
Offices of other health practitioners	4,443	3,066	701,011	536,984	692,637	214,902	17,608	23,187	19,700	3,473
Nursing and personal care facilities	7,474	5,868	8,713,364	7,036,686	8,488,670	5,249,505	265,764	353,764	209,946	71,922
Hospitals	884	663	4,798,832	4,397,535	4,519,209	2,486,822	234,490	267,675	246,471	110,832
Medical laboratories	2,969	2,192	1,229,051	971,143	1,208,311	613,146	28,538	51,612	40,880	11,973
Other medical services	11,014	6,836	4,879,212	3,798,912	4,791,677	2,226,566	144,583	220,348	171,334	55,555
Legal services	17,370	12,449	5,994,807	4,872,638	5,833,780	1,332,476	201,613	252,102	165,462	36,991
Educational services	12,376	7,148	2,921,696	2,098,154	2,756,983	1,289,172	107,044	179,146	136,035	45,959
Social services	4,660	1,271	1,058,335	635,201	1,045,846	661,269	11,845	*10,934	*3,200	*3,200
Membership organizations	5,554	3,239	1,222,179	848,513	1,071,826	766,771	39,911	52,596	43,670	13,149
Architectural and engineering services	23,423	13,712	13,140,374	10,558,963	12,886,209	6,591,232	497,701	663,531	512,946	164,930
Accounting, auditing, and bookkeeping services	11,896	8,173	2,377,179	1,934,612	2,333,804	575,389	123,450	147,163	99,163	23,661
Miscellaneous services (including veterinarians), not elsewhere classified	68,538	26,283	10,782,871	7,616,050	10,349,499	6,150,279	158,619	591,900	363,195	102,925
<b>Nature of business not allocable</b>	<b>11,900</b>	<b>5,142</b>	<b>2,386,149</b>	<b>2,150,900</b>	<b>2,079,231</b>	<b>1,326,187</b>	<b>98,037</b>	<b>154,651</b>	<b>128,477</b>	<b>38,294</b>

Footnotes at end of table. See text



## RETURNS OF ACTIVE CORPORATIONS

Table 2.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Minor industry	Foreign tax credit	Investment credit	Jobs credit	Total income tax after credits	Distributions to stockholders except in own stock		Total assets	Net worth	Depreciable assets	Depreciation deduction
					All returns	Returns with net income				
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>Total returns of active corporations.....</b>	<b>36,827,331</b>	<b>14,834,872</b>	<b>1,293,215</b>	<b>85,887,759</b>	<b>86,613,794</b>	<b>62,395,696</b>	<b>8,835,056,963</b>	<b>1,715,785,070</b>	<b>1,896,559,882</b>	<b>138,061,915</b>
<b>Agriculture, forestry, and fishing.....</b>	<b>14,223</b>	<b>121,407</b>	<b>19,098</b>	<b>376,068</b>	<b>349,294</b>	<b>337,450</b>	<b>37,976,331</b>	<b>11,994,545</b>	<b>21,739,493</b>	<b>1,883,571</b>
Agricultural production.....	14,133	98,530	12,310	297,993	290,082	280,398	32,850,979	10,383,867	17,899,798	1,607,768
Agricultural services (except veterinarians), forestry, fishing, hunting, and trapping.....	*90	22,877	6,788	78,076	59,212	57,052	5,125,352	1,610,678	3,839,696	375,802
<b>Mining.....</b>	<b>18,718,612</b>	<b>270,126</b>	<b>14,744</b>	<b>1,205,582</b>	<b>3,238,424</b>	<b>3,026,322</b>	<b>115,128,696</b>	<b>51,123,353</b>	<b>54,233,992</b>	<b>4,077,060</b>
Metal mining.....	87,462	20,748	*96	88,777	242,483	221,219	12,512,871	7,389,216	5,752,175	382,860
Iron ores.....	8,533	*5,363	4	*8,299	52,924	36,276	*3,093,207	*1,340,541	*2,235,541	*126,605
Copper, lead and zinc, gold and silver ores.....	*78,188	*15,130	*92	79,270	175,466	174,807	8,387,634	5,683,588	3,034,773	220,783
Other metal mining.....	*741	255	—	*1,209	*14,093	*10,137	1,032,029	365,087	481,648	35,273
Coal mining.....	726	30,656	*783	133,513	319,442	259,071	14,749,466	5,624,196	8,674,893	882,463
Oil and gas extraction.....	18,591,431	161,321	12,025	809,951	2,547,776	2,419,049	79,013,969	33,662,215	32,567,244	2,285,715
Crude petroleum, natural gas, and natural gas liquids.....	18,486,772	62,473	1,210	421,092	2,195,325	2,129,103	59,856,206	26,868,438	20,863,606	992,294
Oil and gas field services.....	104,659	98,847	10,816	388,859	352,451	285,946	19,157,762	6,793,777	11,703,639	1,293,421
Nonmetallic minerals, except fuels.....	38,993	57,402	1,840	173,334	129,723	126,983	8,852,392	4,447,725	7,239,680	526,222
Dimension, crushed, and broken stone, sand and gravel.....	811	35,298	1,452	119,236	50,631	47,891	4,914,896	2,520,016	4,337,668	372,392
Other nonmetallic minerals, except fuels.....	*38,183	22,104	*388	54,098	79,092	79,092	3,937,496	1,927,710	2,902,012	153,830
<b>Construction.....</b>	<b>189,640</b>	<b>366,108</b>	<b>209,127</b>	<b>1,798,188</b>	<b>681,853</b>	<b>622,747</b>	<b>123,261,127</b>	<b>29,439,188</b>	<b>43,466,036</b>	<b>4,552,673</b>
General building contractors and operative builders.....	30,488	88,136	63,736	724,955	282,083	234,658	61,935,884	9,758,823	12,962,146	1,259,585
General building contractors.....	30,488	85,312	62,097	645,692	253,019	217,011	55,398,427	8,900,248	12,031,466	1,181,162
Operative builders.....	*1	2,823	1,638	79,263	29,064	17,647	6,537,457	858,575	930,680	78,423
Heavy construction contractors.....	137,066	163,949	34,307	484,845	198,933	193,510	27,494,211	9,349,826	17,721,316	1,758,462
Special trade contractors.....	2,286	114,023	111,084	588,389	200,837	194,579	33,831,032	10,330,538	12,784,574	1,534,626
Plumbing, heating, and air conditioning.....	21	18,837	25,587	111,423	34,468	30,884	8,227,150	2,359,170	2,211,312	276,059
Electrical work.....	*1,967	14,886	20,794	90,090	47,021	46,289	6,482,819	2,021,027	1,893,015	202,910
Other special trade contractors and contractors not allocable.....	*298	80,300	64,703	386,876	119,330	117,406	19,121,063	5,950,341	8,680,246	1,055,657
<b>Manufacturing.....</b>	<b>15,268,370</b>	<b>7,120,231</b>	<b>402,790</b>	<b>34,898,932</b>	<b>38,121,235</b>	<b>37,335,488</b>	<b>1,526,575,203</b>	<b>675,400,534</b>	<b>742,167,734</b>	<b>56,132,695</b>
Food and kindred products.....	628,397	457,443	21,441	2,751,661	2,413,055	2,350,269	113,495,784	52,066,212	57,425,599	4,568,370
Meat products.....	28,364	51,559	4,850	265,909	186,958	181,232	13,575,671	5,008,018	6,848,017	631,828
Dairy products.....	73,537	53,656	1,758	460,187	365,335	360,818	13,469,771	6,925,889	7,022,153	545,968
Preserved fruits and vegetables.....	85,662	39,680	2,222	240,085	279,926	258,202	17,589,399	7,973,476	6,380,198	617,315
Grain mill products.....	112,588	72,730	2,717	483,235	471,754	455,332	15,053,689	6,818,374	7,724,763	539,893
Bakery products.....	1,708	22,157	2,627	165,464	99,070	94,965	5,132,697	2,426,625	3,383,164	277,993
Sugar and confectionery products.....	41,866	20,915	771	129,115	72,148	71,056	8,017,629	3,368,179	4,599,909	257,426
Malt liquors and malt.....	6	48,228	96	93,656	74,082	68,121	5,059,935	2,706,123	4,979,720	354,254
Alcoholic beverages, except malt liquors and malt.....	31,474	27,304	744	198,687	251,369	251,369	10,837,648	4,615,802	3,218,968	224,400
Bottled soft drinks and flavorings.....	208,238	68,511	1,804	365,490	376,561	376,094	11,574,105	6,081,872	6,673,369	623,724
Other food and kindred products.....	44,953	52,701	3,853	349,832	235,851	233,081	13,185,240	6,141,855	6,695,317	496,569
Tobacco manufactures.....	63,752	76,002	*127	822,615	699,504	**	26,629,847	12,370,511	7,751,281	499,682
Textile mill products.....	20,996	107,648	11,310	655,217	451,715	440,447	22,169,569	11,281,198	15,307,010	1,146,068
Weaving mills and textile finishing.....	9,228	39,035	3,322	225,258	120,988	113,455	8,187,377	4,286,303	5,897,165	417,871
Knitting mills.....	1,131	10,439	2,297	115,565	32,035	30,759	3,327,908	1,612,810	1,942,440	159,623
Other textile mill products.....	10,636	58,173	5,691	314,395	298,692	296,233	10,654,284	5,382,085	7,467,405	568,574
Apparel and other textile products.....	53,417	32,030	31,856	600,845	217,104	196,519	19,388,659	8,279,473	4,731,118	406,235
Men's and boys' clothing.....	44,220	11,617	5,921	253,412	105,092	98,614	7,627,568	3,273,585	1,835,233	139,009
Women's and children's clothing.....	8,421	11,536	18,196	222,583	90,427	76,633	7,457,760	3,257,653	1,713,073	167,529
Other apparel and accessories.....	148	2,041	1,903	48,918	6,126	5,896	1,259,989	607,693	312,344	23,260
Miscellaneous fabricated textile products, textile products, not elsewhere classified.....	*627	6,836	5,836	75,933	15,458	15,376	3,043,341	1,140,543	870,469	76,436
Lumber and wood products.....	87,555	276,900	17,677	770,258	612,067	608,077	39,301,038	18,867,983	24,326,623	1,854,199
Logging, sawmills, and planing mills.....	51,542	133,343	3,334	370,066	286,487	285,702	18,671,684	9,839,934	11,921,881	911,528
Millwork, plywood, and related products.....	35,340	115,057	7,103	238,455	249,041	246,108	13,540,489	6,300,979	8,907,005	684,080
Other wood products, including wood buildings and mobile homes.....	*673	28,500	7,240	161,737	76,539	76,267	7,088,864	2,727,069	3,497,737	258,590
Furniture and fixtures.....	1,586	28,915	14,439	362,933	105,113	92,106	9,576,800	4,797,290	4,270,034	324,948
Paper and allied products.....	255,707	321,799	5,754	1,269,756	1,113,830	1,112,551	40,343,460	21,665,921	29,140,393	2,066,515
Pulp, paper, and board mills.....	117,114	233,479	454	706,198	626,847	626,089	27,532,055	14,603,334	20,879,947	1,430,642
Other paper products.....	138,593	88,320	5,300	563,560	486,983	486,463	12,811,405	7,062,587	8,260,446	635,873
Printing and publishing.....	139,209	222,350	19,364	1,818,696	957,901	947,487	43,962,638	20,780,611	20,493,645	1,776,145
Newspapers.....	28,042	99,317	3,076	929,620	465,820	459,035	16,022,076	9,202,352	7,676,984	656,445
Periodicals.....	70,970	27,398	1,769	117,059	125,377	124,816	5,730,267	2,087,294	2,323,944	183,539
Books, greeting cards, and miscellaneous publishing.....	39,003	23,768	1,707	370,389	196,374	193,811	10,500,395	4,130,146	2,945,046	271,345
Commercial and other printing and printing trade services.....	1,194	71,867	12,811	401,627	170,331	169,825	11,709,900	5,360,820	7,547,670	664,815
Chemicals and allied products.....	1,531,309	712,720	13,484	3,307,693	5,252,154	5,226,934	141,777,451	70,175,685	83,799,223	6,203,830
Industrial chemicals, plastics materials and synthetics.....	671,595	481,047	6,220	1,206,389	1,978,868	1,972,744	70,096,462	33,603,593	53,596,862	3,953,591
Drugs.....	492,603	67,290	1,282	1,026,622	2,013,195	2,003,941	32,318,351	18,680,888	10,400,657	737,644
Soap, cleaners, and toilet goods.....	265,641	87,822	1,325	714,807	889,044	881,763	17,524,794	9,028,134	7,018,621	545,931
Paints and allied products.....	2,900	11,181	2,512	99,212	46,582	46,262	2,795,465	1,382,756	1,231,507	90,037
Agricultural and other chemical products.....	99,110	65,380	2,145	260,662	324,465	322,224	19,042,378	7,480,314	11,551,575	876,626
Petroleum (including integrated) and coal products.....	6,447,153	1,804,418	3,336	5,747,906	10,918,962	10,905,750	320,532,960	148,959,079	149,821,990	8,580,340
Petroleum refining (including integrated).....	6,441,065	1,788,040	2,849	5,668,151	10,881,345	10,868,132	318,255,165	147,927,558	148,504,083	8,459,862
Petroleum and coal products, not elsewhere classified.....	6,088	18,378	*486	79,755	37,617	37,617	2,277,795	1,031,521	1,317,907	120,478
Rubber and miscellaneous plastics products.....	123,692	102,187	18,992	515,850	387,173	378,910	27,439,446	11,778,883	16,558,512	1,180,957
Rubber products; plastics footwear, hose and belting.....	83,973	55,013	4,022	202,856	283,651	279,847	17,291,798	7,463,009	10,865,014	631,800
Miscellaneous plastics products.....	39,719	47,174	14,970	312,994	103,522	99,063	10,147,647	4,315,874	5,693,498	549,158
Leather and leather products.....	2,946	14,111	5,685	237,048	128,463	124,195	6,726,550	2,971,059	1,755,913	147,612
Footwear, except rubber.....	2,801	9,845	3,529	180,106	117,341	114,338	4,896,651	2,252,687	1,313,974	107,371
Leather and leather products, not elsewhere classified.....	145	4,266	2,156	56,942	11,122	9,857	1,829,899	718,371	441,939	40,241

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 2.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Minor industry	Foreign tax credit	Investment credit	Jobs credit	Total income tax after credits <sup>1</sup>	Distributions to stockholders except in own stock		Total assets	Net worth	Depreciable assets	Depreciation deduction
					All returns	Returns with net income				
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>Manufacturing — Continued</b>										
Stone, clay, and glass products	118,167	244,204	14,590	857,900	624,509	622,844	34,238,070	17,053,646	25,386,482	1,908,644
Glass products	46,545	60,423	2,372	217,625	205,147	204,156	10,628,848	5,460,145	7,914,751	611,866
Cement, hydraulic	4,409	59,585	58	96,912	93,311	93,311	4,925,720	2,362,370	4,294,704	209,670
Concrete, gypsum, and plaster products	2,525	69,113	7,855	351,357	149,183	149,076	9,336,796	4,250,389	7,208,016	620,635
Other nonmetallic mineral products	64,688	55,082	4,305	192,006	176,867	176,301	9,346,706	4,980,742	5,969,012	466,474
Primary metal industries	493,574	487,471	12,950	1,526,077	1,688,014	1,541,641	117,444,731	47,673,482	76,262,883	4,610,987
Ferrous metal industries, miscellaneous										
primary metal products	135,049	278,297	10,135	845,351	860,339	720,968	58,678,555	25,617,130	52,765,969	3,114,515
Nonferrous metal industries	358,525	209,174	2,814	680,727	827,674	820,673	58,766,176	22,056,351	23,496,914	1,496,472
Fabricated metal products	303,725	308,145	61,359	2,179,408	1,090,812	1,074,883	68,991,194	31,321,190	32,420,319	2,484,414
Metal cans and shipping containers	51,808	47,477	*399	106,497	177,759	177,458	8,906,726	4,328,387	4,718,114	339,819
Cutlery, hand tools, and hardware, screw machine products, bolts, and similar products	56,334	41,266	6,390	425,942	235,106	233,390	9,570,468	4,816,383	4,507,185	346,446
Plumbing and heating, except electric and warm air	7,970	10,848	1,640	166,495	58,429	57,993	3,543,829	1,872,044	1,391,220	112,762
Fabricated structural metal products	79,962	94,101	17,223	523,427	226,951	225,175	19,326,675	7,769,638	7,949,693	567,690
Metal forgings and stampings	8,835	30,298	8,136	229,781	67,859	67,319	6,182,135	2,851,350	3,723,489	305,880
Coating, engraving, and allied services	301	14,189	2,424	84,000	47,585	47,237	2,916,273	1,197,832	1,692,997	150,367
Ordnance and accessories, except vehicles and guided missiles	654	2,092	105	34,108	15,690	15,690	649,378	331,427	334,879	22,649
Miscellaneous fabricated metal products	97,862	67,874	25,042	609,158	261,432	250,621	17,895,710	8,154,130	8,102,741	638,801
Machinery, except electrical	2,215,971	582,554	51,313	4,134,384	3,596,791	3,561,680	143,520,701	64,132,223	57,714,791	5,545,440
Farm machinery	4,633	30,825	2,094	289,303	147,946	147,946	14,239,202	3,416,202	3,514,157	303,941
Construction and related machinery	179,644	136,220	5,817	881,290	584,618	576,887	23,611,639	10,650,405	10,346,924	1,025,426
Metalworking machinery	36,850	49,605	11,699	432,149	160,532	157,925	9,478,087	4,727,972	4,782,939	363,624
Special industry machinery	59,850	27,815	7,152	289,394	137,169	136,082	9,945,815	4,325,685	3,388,744	278,624
General industrial machinery	105,930	75,171	8,829	554,823	282,907	277,182	19,014,252	8,759,593	6,535,311	553,456
Office, computing, and accounting machines	1,801,702	219,880	3,778	1,298,029	2,063,115	2,061,327	57,445,987	26,362,261	24,278,538	2,608,143
Other machinery, except electrical	27,362	43,039	11,945	389,396	210,505	205,038	11,552,989	4,990,105	4,868,178	412,227
Electrical and electronic equipment	733,072	474,816	51,364	2,693,441	2,766,525	2,668,712	126,600,158	47,898,960	44,576,797	4,514,687
Household appliances	32,658	16,548	904	284,733	233,393	233,298	8,443,208	3,945,677	2,919,889	229,634
Radio, television, and communication equipment	257,449	83,053	3,766	420,104	641,746	639,904	37,783,630	13,789,087	9,296,506	1,263,235
Electronic components and accessories	112,169	121,437	34,959	829,643	358,155	347,837	29,116,894	11,909,921	9,810,150	978,881
Other electrical equipment	330,796	253,778	11,735	1,158,961	1,533,231	1,447,672	51,256,427	18,254,275	22,550,252	2,042,955
Motor vehicles and equipment	1,455,818	460,972	9,171	2,206,052	2,886,126	2,840,013	129,289,567	42,593,869	50,481,364	5,426,995
Transportation equipment, except motor vehicles	158,173	240,517	12,274	707,866	877,318	731,986	48,991,719	17,426,110	19,920,247	1,265,398
Aircraft, guided missiles and parts	155,498	215,189	4,052	511,376	733,544	654,624	40,037,895	13,614,365	16,196,901	964,962
Ship and boat building and repairing	580	13,517	6,218	118,021	90,985	34,375	5,233,939	2,475,260	1,561,550	140,869
Other transportation equipment, except motor vehicles	2,094	11,811	2,005	78,469	52,789	42,987	3,719,885	1,336,465	2,161,796	159,566
Instruments and related products	379,027	113,828	15,187	1,152,804	1,070,858	964,311	27,947,489	14,379,648	13,042,738	1,039,383
Scientific instruments and measuring devices; watches and clocks	109,286	34,855	8,991	422,078	242,377	151,431	10,729,800	4,622,721	3,905,064	318,536
Optical, medical, and ophthalmic goods	125,274	29,643	4,854	265,514	317,041	307,666	9,360,216	4,786,529	3,294,463	283,665
Photographic equipment and supplies	144,468	49,329	*1,342	465,213	511,440	*505,215	7,857,473	4,970,398	5,843,211	437,181
Miscellaneous manufacturing and manufacturing not allocable	73,124	51,201	11,116	580,520	273,240	**	20,207,373	8,927,501	6,980,774	581,847
<b>Transportation and public utilities</b>										
Transportation	126,811	882,719	33,141	1,456,946	1,547,515	1,440,240	159,824,985	55,957,736	127,014,662	8,472,656
Railroad transportation	8,521	409,688	982	350,844	589,587	589,088	56,805,096	23,189,536	47,425,998	1,833,745
Local and interurban passenger transit	1	12,152	2,970	40,408	18,174	18,168	2,406,051	934,802	1,876,883	208,917
Trucking and warehousing	23,714	192,700	16,714	434,554	252,365	228,972	32,514,960	12,242,180	24,311,501	2,761,627
Water transportation	57,426	59,514	5,932	146,101	150,618	130,067	15,590,144	4,694,694	10,515,893	709,287
Transportation by air	21,973	146,690	2,795	86,085	188,996	128,335	32,571,338	9,739,530	29,234,483	1,986,721
Pipelines, except natural gas	5,813	30,365	*414	295,236	223,805	223,805	8,339,647	1,832,353	6,193,192	369,389
Transportation services, not elsewhere classified	*9,364	31,610	3,335	103,719	123,970	121,806	12,097,749	3,324,642	7,456,712	602,970
Communication	49,735	1,732,352	6,463	1,479,762	4,937,975	4,911,490	180,387,458	78,436,667	172,441,028	12,461,063
Telephone, telegraph, and other communication services	26,942	1,666,186	3,597	909,409	4,702,318	4,702,318	167,584,049	72,639,034	166,751,265	11,817,802
Radio and television broadcasting	22,793	66,166	2,866	570,353	234,706	209,172	12,803,409	5,797,633	5,689,764	643,261
Electric, gas, and sanitary services	138,550	1,440,786	3,599	1,867,419	8,779,410	7,237,631	334,267,454	129,748,403	335,589,681	12,382,695
Electric services	500	685,713	508	385,699	4,133,466	3,470,617	151,499,805	59,415,465	159,906,348	5,734,506
Gas production and distribution	131,238	334,966	934	1,082,172	1,615,962	1,429,271	80,148,748	27,868,343	67,429,339	2,878,214
Combination utility services	5,099	371,926	92	306,418	2,945,328	2,253,609	94,821,038	39,843,897	100,998,758	3,339,448
Water supply and other sanitary services	1,713	48,180	2,065	93,129	84,653	84,134	7,797,684	2,620,590	7,255,236	430,525
<b>Wholesale and retail trade</b>										
Wholesale trade	891,394	1,328,438	359,373	10,758,948	8,828,705	8,644,232	573,306,508	196,573,329	169,822,837	15,975,729
Wholesale trade	763,182	594,219	137,896	5,728,963	5,905,980	5,814,529	306,083,310	107,180,299	63,864,946	6,340,405
Groceries and related products	950	68,077	16,756	441,639	262,346	249,138	26,039,399	7,808,626	8,268,031	809,526
Machinery, equipment, and supplies	12,853	117,205	37,568	974,406	1,733,076	1,722,112	53,257,989	20,915,064	10,696,351	1,386,258
Miscellaneous wholesale trade	749,379	408,937	83,572	4,312,918	3,910,558	3,843,279	226,785,922	78,456,609	44,900,564	4,144,621
Motor vehicles and automotive equipment	*7,845	23,935	9,455	495,142	589,545	587,897	19,463,306	7,668,373	3,593,624	337,583
Furniture and home furnishings	354	4,160	1,538	53,148	24,999	22,036	3,598,873	1,068,390	794,213	77,083
Lumber and construction materials	4	20,732	9,308	281,692	98,082	87,051	10,728,353	4,227,217	2,714,643	266,650
Sporting, recreational, photographic, and hobby goods, toys, and supplies	*1,156	2,546	686	49,917	27,841	25,639	3,245,169	791,299	413,175	38,511
Metals and minerals, except petroleum and scrap	9,719	25,027	2,057	298,279	176,889	174,774	18,437,221	4,877,889	3,007,645	261,292
Electrical goods	1,328	21,188	10,431	391,781	571,078	545,702	16,884,454	7,097,596	1,966,647	203,934
Hardware, plumbing, and heating equipment and supplies	*1,613	20,189	4,880	313,237	92,885	90,654	11,478,031	4,666,697	2,111,437	212,314
Other durable goods	12,867	46,836	9,162	499,834	393,715	386,089	23,231,291	7,885,519	3,942,373	439,591
Paper and paper products	2,219	8,868	2,245	115,763	88,525	88,452	4,832,905	1,983,844	1,000,657	104,406
Drugs, drug proprietaries, and druggists' sundries	*3,825	5,047	1,730	66,609	93,481	91,349	3,666,194	1,500,525	1,041,048	66,016
Apparel, piece goods, and notions	1,477	6,383	3,990	190,747	91,488	90,658	9,092,032	2,555,783	840,964	92,889
Farm-product raw materials	20,742	72,689	6,516	184,385	265,511	260,818	24,662,495	7,705,523	8,216,912	580,112
Chemicals and allied products	*9,558	7,637	1,299	99,987	437,573	437,573	7,229,556	4,367,649	1,083,444	100,367
Petroleum and petroleum products	669,034	73,560	10,585	703,066	446,462	442,498	43,514,661	13,399,638	7,717,798	684,247
Alcoholic beverages	*63	24,932	3,063	281,399	136,223	135,860	7,666,467	3,035,334	1,987,287	207,196
Miscellaneous nondurable goods, wholesale trade not allocable	7,575	45,207	6,626	287,932	376,957	376,230	19,054,913	5,626,034	4,895,697	472,452

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 2.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Minor industry	Foreign tax credit	Investment credit	Jobs credit	Total income tax after credits <sup>1</sup>	Distributions to stockholders except in own stock		Total assets	Net worth	Depreciable assets	Depreciation deduction
					All returns	Returns with net income				
Wholesale and retail trade — Continued	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Retail trade	128,212	732,893	221,346	5,024,581	2,919,230	2,826,208	266,714,400	89,320,566	105,764,078	9,620,396
Building materials, garden supplies, and mobile home dealers	*93	35,438	13,268	414,150	107,851	107,372	18,546,781	7,364,695	5,695,301	526,964
Building materials dealers	*93	27,769	8,042	319,814	89,867	89,525	12,502,049	5,429,845	3,983,660	362,219
Hardware stores	(?)	3,882	2,901	65,788	7,347	7,323	3,083,153	1,320,064	757,722	67,775
Garden supplies and mobile home dealers	—	3,788	2,324	28,548	10,637	10,524	2,961,579	614,785	953,919	96,970
General merchandise stores	83,845	182,427	11,485	1,146,601	1,284,299	1,272,343	69,699,691	24,378,344	24,506,341	1,850,526
Food stores	23,724	167,401	36,678	774,188	404,780	382,184	31,070,916	11,110,045	19,648,777	1,658,790
Grocery stores	23,724	161,840	36,166	745,375	392,955	370,924	29,318,469	10,656,250	18,358,663	1,544,218
Other food stores	—	5,561	*513	28,812	11,825	11,261	1,752,447	453,795	1,290,314	114,572
Automotive dealers and service stations	*31	78,464	33,686	609,669	154,147	140,403	51,687,569	12,824,410	14,081,500	1,706,989
Motor vehicle dealers	—	38,072	16,905	299,832	77,357	67,794	38,104,365	8,557,420	9,272,741	1,185,569
Gasoline service stations	(?)	24,150	9,230	210,483	42,176	39,731	5,649,132	1,988,439	2,558,480	244,795
Other automotive dealers	*31	16,241	7,551	99,354	34,614	32,878	7,944,073	2,278,551	2,250,279	276,625
Apparel and accessory stores	*116	21,993	13,912	423,804	209,328	186,082	13,455,770	6,159,928	4,066,025	396,570
Furniture and home furnishings stores	89	17,649	12,113	268,702	46,748	44,262	12,975,459	4,696,636	2,875,395	280,596
Eating and drinking places	6,129	109,569	68,699	435,533	316,300	304,318	26,590,123	7,343,150	19,449,167	1,748,092
Miscellaneous retail stores	14,186	119,951	31,505	951,935	395,777	389,242	42,678,091	15,443,357	15,441,572	1,451,870
Drug stores and proprietary stores	—	25,798	3,919	261,534	106,564	103,783	8,472,680	3,418,763	3,058,446	225,000
Liquor stores	—	3,111	972	20,811	13,220	13,220	1,859,118	594,171	623,361	52,261
Other retail stores	12,836	91,042	26,615	669,590	275,994	272,240	32,346,294	11,430,423	17,759,766	1,174,609
Wholesale and retail trade not allocable	—	1,326	*131	5,403	*3,495	*3,495	508,797	72,465	193,813	14,928
Finance, insurance, and real estate	1,289,724	807,449	57,338	9,591,910	18,294,307	17,120,359	3,826,872,420	441,498,520	131,789,678	10,250,006
Banking	959,889	479,885	14,819	1,957,314	3,929,337	3,631,657	1,903,716,361	131,429,159	34,567,826	4,189,739
Mutual savings banks	259	5,912	1,225	123,594	—	—	159,166,628	8,738,822	1,880,853	122,569
Bank holding companies	944,061	385,266	5,190	840,673	2,876,502	2,723,034	1,281,160,914	87,596,161	22,180,105	3,176,032
Banks, except mutual savings banks and bank holding companies	15,569	88,707	8,404	993,047	1,052,835	908,622	463,388,819	35,094,176	10,506,868	891,138
Credit agencies other than banks	43,179	56,431	6,603	1,483,492	730,958	683,885	699,820,816	36,045,893	13,222,495	922,062
Savings and loan associations	5	20,827	3,842	932,065	213,916	202,872	538,293,085	18,125,046	8,341,678	446,851
Personal credit institutions	21,774	26,153	936	134,662	187,995	185,933	35,029,882	6,177,637	2,177,897	248,647
Business credit institutions	*20,410	3,864	*180	169,787	18,189	16,760,376	2,333,874	239,783	65,242	161,322
Other credit agencies; finance not allocable	990	5,587	1,645	246,978	310,825	276,891	109,737,464	9,409,336	2,463,137	202,355
Security, commodity brokers and services	5,055	26,731	3,321	295,777	201,746	180,882	70,088,356	5,508,840	1,070,442	202,355
Security brokers, dealers, and flotation companies	4,782	24,063	3,089	246,383	161,877	154,101	65,270,333	4,771,292	746,391	159,439
Commodity contracts brokers and dealers, security and commodity exchanges, and allied services	*273	2,668	233	49,394	39,869	26,781	4,818,023	737,548	324,051	42,916
Insurance	204,626	141,884	3,067	3,956,658	3,316,567	3,278,224	656,732,114	102,337,721	11,524,078	1,640,204
Life insurance	85,719	67,269	1,139	2,978,590	1,339,492	1,316,034	433,361,174	35,998,810	3,232,125	739,956
Mutual insurance, except life or marine and certain fire or flood insurance companies	5,830	12,177	558	345,223	—	—	47,380,649	14,152,331	518,391	137,062
Other insurance companies	113,077	62,439	1,370	632,845	1,977,075	1,962,189	175,990,291	52,186,580	7,773,562	763,186
Insurance agents, brokers, and service	15,869	19,188	5,809	336,403	382,186	373,095	13,982,598	4,556,258	1,823,762	248,094
Real estate	1,366	54,832	19,167	1,121,327	832,663	741,762	120,461,347	28,265,642	63,984,485	2,785,988
Real estate operators and lessors of buildings	672	22,477	2,862	528,094	468,439	386,758	60,550,981	16,780,515	49,806,907	1,986,229
Lessors of mining, oil, and similar property	31	1,357	—	42,477	75,546	75,509	1,244,998	723,191	780,588	26,790
Lessors of railroad property, and of real property, not elsewhere classified	—	1,574	*18	9,398	14,351	14,151	1,954,702	837,577	763,550	44,796
Condominium management and cooperative housing associations	—	*175	53	3,388	100	100	3,199,404	935,043	2,875,835	67,802
Subdividers and developers	*123	10,710	3,383	368,971	143,178	140,271	33,173,024	5,113,366	4,479,214	258,224
Other real estate	*540	18,539	12,852	169,000	131,049	124,973	20,338,538	3,875,950	5,278,392	402,146
Holding and other investment companies, except bank holding companies	59,740	28,498	4,550	440,939	8,900,850	8,230,855	162,070,829	133,355,006	5,596,590	261,564
Regulated investment companies	—	(?)	—	*83	7,150,981	6,606,269	110,323,843	105,888,819	14,740	311
Real estate investment trusts	—	2	—	15	181,696	125,201	6,638,891	2,590,696	2,575,168	75,743
Small business investment companies	—	*31	—	7,364	*8,015	*8,015	794,351	330,974	7,817	897
Other holding and investment companies, except bank holding companies	59,740	28,465	4,542	433,478	1,560,159	1,491,370	44,088,744	24,750,517	2,998,865	184,613
Services	142,072	561,508	186,234	2,422,559	1,822,529	1,706,192	154,038,119	45,262,060	97,653,470	11,720,749
Hotels and other lodging places	5,539	43,697	12,601	342,256	213,809	199,764	19,491,460	5,064,294	15,556,889	936,666
Personal services	5,406	25,268	6,370	145,279	141,883	136,154	6,823,723	2,934,690	5,298,233	525,188
Business services	61,646	160,517	65,096	834,071	487,378	434,867	45,590,229	13,375,952	22,961,835	3,333,022
Advertising	27,873	15,632	7,251	170,323	72,559	66,098	6,034,080	1,736,711	1,509,357	178,682
Business services, except advertising	33,773	144,885	57,846	663,748	414,819	388,769	39,556,148	11,639,241	21,452,478	3,154,340
Auto repair; miscellaneous repair services	*204	64,732	13,615	139,732	89,950	85,258	19,244,023	4,317,765	17,991,340	3,195,642
Auto repair and services	*196	56,931	6,794	91,295	66,033	62,852	16,771,169	3,394,101	16,852,721	3,054,339
Miscellaneous repair services	8	7,801	6,821	48,437	23,918	22,406	2,472,853	923,664	1,138,619	141,303
Amusement and recreation services	47,969	134,700	9,098	411,899	280,363	276,041	27,212,351	7,959,446	15,726,017	1,894,634
Motion picture production, distribution, and services	43,148	97,996	1,457	105,049	117,179	114,802	12,117,723	2,960,612	2,396,708	995,416
Motion picture theaters	*6	7,796	1,226	42,549	17,332	17,080	2,282,648	823,442	2,046,532	130,641
Amusement and recreation services, except motion pictures	*4,816	28,907	6,414	264,301	145,852	144,158	12,811,979	4,175,939	11,284,777	768,576
Other services	21,308	132,594	79,455	549,323	609,146	574,107	35,676,334	11,609,913	20,117,156	1,835,597
Offices of physicians, including osteopathic physicians	—	27,691	16,344	72,148	30,828	26,980	4,385,069	1,947,509	2,977,779	381,334
Offices of dentists	—	3,295	5,515	9,335	*394	*327	1,111,723	464,231	996,677	115,775
Offices of other health practitioners	—	*684	*279	*2,510	*3,518	*3,518	51,789	57,702	120,447	12,924
Nursing and personal care facilities	—	9,817	10,086	50,892	89,864	85,234	5,601,886	850,875	4,541,724	224,996
Hospitals	1,927	22,435	3,035	83,379	68,293	60,482	5,679,522	1,948,890	3,399,989	208,860
Medical laboratories	22	3,185	*827	7,939	2,140	2,140	554,044	264,496	359,301	43,197
Other medical services	1,766	9,064	6,551	37,875	41,348	40,806	1,835,326	507,697	827,248	91,786
Legal services	—	7,882	4,555	24,754	62,088	62,065	1,468,614	489,761	610,377	98,522
Educational services	*6,089	5,498	3,145	31,223	49,257	46,772	1,759,460	528,324	928,047	97,028
Social services	—	*536	*648	*2,016	*2,489	*2,489	392,662	—	29,085	29,873
Membership organizations	—	1,457	*1,223	10,468	—	—	847,664	428,707	453,203	23,071
Architectural and engineering services	9,134	17,272	12,950	125,566	89,223	86,790	5,098,585	2,123,706	1,783,660	211,921
Accounting, auditing, and bookkeeping services	12	3,216	*3,253	17,180	49,482	49,479	720,444	206,347	307,181	45,509
Miscellaneous services (including veterinarians), not elsewhere classified	*2,359	14,761	11,045	74,037	119,223	107,027	6,069,545	1,816,919	2,372,438	250,801
Nature of business not allocable	—	3,547	*1,309	31,445	*11,547	*11,547	1,418,661	350,735	639,270	53,018

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 2.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficient of Variation, by Minor Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Coefficient of Variation (Percent)									
	Number of returns		Total receipts		Business receipts	Cost of sales and operations	Net income	Deficit	Income subject to tax	Total income tax
	Total	With net income	All returns	Returns with net income						
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>Total returns of active corporations</b> .....	0.20	0.70	0.21	0.23	0.23	0.29	0.14	1.29	0.14	0.13
<b>Agriculture, forestry, and fishing</b> .....	4.37	5.32	5.33	4.11	5.56	7.04	3.94	6.19	4.26	4.31
Agricultural production.....	4.81	5.73	3.88	4.60	4.00	4.69	4.28	6.68	4.50	4.40
Agricultural services (except veterinarians), forestry, fishing, hunting, and trapping.....	9.59	12.74	18.39	9.22	19.09	24.60	10.15	16.64	11.31	12.42
<b>Mining</b> .....	7.66	9.33	0.80	0.72	0.81	1.20	0.18	4.05	0.15	0.14
Metal mining.....	42.86	32.39	0.62	0.70	0.59	0.60	1.06	13.20	1.27	1.07
Iron ores.....	50.70	59.25	0.63	0.92	0.57	0.58	0.85	( <sup>1</sup> )	1.38	1.02
Copper, lead and zinc, gold and silver ores.....	50.48	41.25	0.92	0.95	0.87	0.95	1.45	29.93	1.46	1.22
Other metal mining.....	54.39	( <sup>1</sup> )	2.13	( <sup>1</sup> )	2.21	1.97	( <sup>1</sup> )	19.10	( <sup>1</sup> )	( <sup>1</sup> )
Coal mining.....	17.77	30.24	4.19	4.64	4.32	4.05	5.86	7.70	4.62	3.95
Oil and gas extraction.....	9.87	11.51	0.75	0.69	0.75	1.26	0.16	5.07	0.13	0.12
Crude petroleum, natural gas, and natural gas liquids.....	15.49	17.18	0.28	0.27	0.25	0.46	0.10	5.96	0.08	0.07
Oil and gas field services.....	12.83	15.19	4.31	4.64	4.53	5.13	3.36	8.61	3.39	3.27
Nonmetallic minerals, except fuels.....	16.92	18.11	4.85	4.97	4.92	5.93	5.60	28.63	5.64	4.98
Dimension, crushed, and broken stone, sand and gravel.....	18.05	19.50	6.77	7.18	6.86	7.76	8.64	27.93	8.75	8.40
Other nonmetallic minerals, except fuels.....	47.74	35.00	5.22	5.21	5.29	7.77	3.37	69.92	3.23	2.63
<b>Construction</b> .....	2.65	3.22	1.65	1.89	1.68	1.74	1.97	12.46	2.08	2.07
General building contractors and operative builders.....	4.15	5.22	2.58	3.04	2.63	2.73	3.13	5.49	3.29	3.29
General building contractors.....	4.24	5.32	2.71	3.16	2.75	2.85	3.32	5.81	3.51	3.54
Operative builders.....	19.94	25.03	7.50	10.48	7.89	8.55	8.71	14.75	7.91	7.58
Heavy construction contractors.....	7.87	9.17	3.28	3.76	3.35	3.38	3.38	9.13	3.40	3.22
Special trade contractors.....	3.94	4.57	2.95	3.24	2.96	3.08	3.66	32.32	3.98	4.29
Plumbing, heating, and air conditioning.....	8.31	9.51	5.62	6.41	5.63	5.70	7.83	15.97	8.52	9.21
Electrical work.....	10.11	11.38	7.08	7.80	7.09	7.38	9.37	18.08	10.11	10.88
Other special trade contractors and contractors not allocable.....	5.10	5.93	4.02	4.32	4.03	4.24	4.66	44.32	5.07	5.43
<b>Manufacturing</b> .....	2.38	2.63	0.24	0.25	0.25	0.28	0.19	1.68	0.19	0.17
Food and kindred products.....	8.82	9.49	1.08	1.13	1.10	1.28	0.78	5.62	0.75	0.69
Meat products.....	16.50	18.99	3.44	3.89	3.48	3.73	4.00	15.95	3.98	3.75
Dairy products.....	16.56	18.22	3.22	3.02	3.25	3.64	1.32	26.81	1.28	1.30
Preserved fruits and vegetables.....	13.41	15.74	1.10	1.17	1.12	1.20	1.32	9.59	1.11	1.03
Grain mill products.....	27.44	30.26	1.59	1.43	1.62	1.87	1.05	17.60	1.05	0.97
Bakery products.....	20.37	23.77	6.15	6.43	6.19	7.17	5.17	19.14	5.22	4.98
Sugar and confectionery products.....	28.68	33.96	2.14	2.86	2.18	2.21	2.45	14.13	2.35	2.05
Malt liquors and malt.....	31.27	36.62	1.25	1.45	1.25	1.12	0.45	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Alcoholic beverages, except malt liquors and malt.....	59.84	58.03	0.83	0.77	0.80	0.61	1.08	46.28	1.12	1.04
Bottled soft drinks, and flavorings.....	17.86	14.50	3.26	3.23	3.34	3.89	2.50	31.21	2.30	2.19
Other food and kindred products.....	19.06	21.15	2.68	2.81	2.71	2.95	2.75	12.83	2.80	2.39
Tobacco manufactures.....	67.42	..	0.10	..	0.11	..	..	( <sup>1</sup> )	0.05	0.02
Textile mill products.....	13.23	16.02	2.59	2.73	2.61	2.68	2.43	10.07	2.38	2.26
Weaving mills and textile finishing.....	28.86	31.71	3.00	3.47	3.04	3.24	2.65	23.55	2.66	2.49
Knitting mills.....	22.05	30.17	9.50	10.41	9.56	9.58	8.30	19.52	8.07	7.90
Other textile mill products.....	18.65	18.58	3.31	3.46	3.33	3.47	3.47	10.99	3.54	3.35
Apparel and other textile products.....	10.24	11.83	3.43	3.69	3.47	3.59	3.27	12.38	3.26	3.15
Men's and boys' clothing.....	24.34	26.72	5.21	5.56	5.33	5.49	3.56	21.68	3.61	3.34
Women's and children's clothing.....	14.87	18.22	5.53	5.97	5.57	5.72	6.34	18.87	6.50	6.50
Other apparel and accessories.....	29.42	33.99	13.50	14.75	13.60	14.01	13.28	53.38	13.49	13.45
Miscellaneous fabricated textile products; textile products, not elsewhere classified.....	19.60	20.17	8.91	9.82	8.94	9.33	8.62	23.08	8.92	8.75
Lumber and wood products.....	9.26	9.99	2.20	2.23	2.31	2.46	1.92	12.03	1.74	1.93
Logging, sawmills, and planing mills.....	15.48	16.72	3.09	3.05	3.32	3.63	2.34	17.44	1.99	2.31
Millwork, plywood, and related products.....	17.21	17.23	3.67	3.70	3.78	4.06	3.36	24.20	2.99	3.22
Other wood products, including wood buildings and mobile homes.....	15.66	17.53	5.52	5.86	5.68	5.77	6.50	22.86	6.58	6.52
Furniture and fixtures.....	13.49	15.99	4.54	4.93	4.57	4.72	4.49	15.79	4.38	4.22
Paper and allied products.....	16.12	18.31	1.49	1.40	1.57	1.70	0.87	14.70	0.81	0.85
Pulp, paper, and board mills.....	42.39	36.03	0.63	0.37	0.67	0.69	0.21	20.22	0.21	0.16
Other paper products.....	17.38	19.74	3.58	3.56	3.66	4.04	2.21	20.41	2.09	1.96
Printing and publishing.....	7.20	8.27	1.92	1.95	1.96	2.08	1.41	10.34	1.29	1.10
Newspapers.....	19.65	21.59	1.83	1.67	1.87	1.91	1.59	29.14	1.59	1.43
Periodicals.....	21.89	25.60	4.92	4.99	5.07	4.97	4.07	14.81	2.97	2.58
Books, greeting cards, and miscellaneous publishing.....	19.49	23.71	3.40	3.29	3.54	4.00	2.40	20.26	2.02	1.80
Commercial and other printing and printing trade services.....	9.15	10.45	4.40	4.69	4.40	4.54	4.19	18.77	3.85	3.35
Chemicals and allied products.....	11.95	13.12	0.59	0.57	0.61	0.66	0.35	7.06	0.35	0.29
Industrial chemicals, plastics materials and synthetics.....	21.76	22.64	0.86	0.83	0.88	0.93	0.48	13.63	0.47	0.38
Drugs.....	20.45	22.91	0.67	0.69	0.70	0.77	0.49	9.08	0.48	0.43
Soap, cleaners, and toilet goods.....	30.89	33.15	1.04	0.89	1.04	1.03	0.73	33.51	0.69	0.61
Paints and allied products.....	27.68	32.25	6.50	6.42	6.55	6.90	6.65	12.07	6.66	6.05
Agricultural and other chemical products.....	21.32	25.93	2.37	2.48	2.42	2.65	2.29	12.91	2.34	1.86
Petroleum (including integrated) and coal products.....	26.19	28.28	0.14	0.11	0.15	0.18	0.08	5.23	0.09	0.08
Petroleum refining (including integrated).....	21.71	25.09	0.08	0.06	0.08	0.10	0.05	5.54	0.05	0.05
Petroleum and coal products, not elsewhere classified.....	38.35	39.51	12.37	10.56	12.61	14.56	9.25	8.56	9.37	9.08
Rubber and miscellaneous plastics products.....	11.21	11.17	2.11	2.27	2.14	2.21	3.14	12.66	3.05	2.84
Rubber products, plastics footwear, hose and belting.....	29.00	23.40	1.46	1.61	1.49	1.53	3.08	18.29	2.81	2.57
Miscellaneous plastics products.....	12.16	12.39	4.83	5.39	4.89	5.13	4.98	16.14	4.93	4.73
Leather and leather products.....	24.63	28.48	7.40	8.09	7.50	8.39	4.99	20.98	5.03	4.70
Footwear, except rubber.....	29.67	18.92	4.27	4.48	4.33	4.60	3.66	33.87	3.61	3.41
Leather and leather products, not elsewhere classified.....	28.51	33.69	20.97	25.34	21.05	22.54	15.79	26.03	15.91	16.07

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 2.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficient of Variation, by Minor Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Coefficient of Variation (Percent)									
	Number of returns		Total receipts		Business receipts	Cost of sales and operations	Net income	Deficit	Income subject to tax	Total income tax
	Total	With net income	All returns	Returns with net income						
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>Manufacturing — Continued</b>										
Stone, clay, and glass products	11.52	12.44	2.03	2.03	2.07	2.17	1.82	12.94	1.83	1.70
Glass products	40.15	41.82	1.90	1.81	1.95	2.00	2.23	19.12	2.32	2.23
Cement, hydraulic	56.38	54.13	2.37	2.43	2.46	2.36	0.87	11.29	0.90	0.67
Concrete, gypsum, and plaster products	14.93	15.93	4.65	4.74	4.69	4.83	4.07	24.08	4.06	3.86
Other nonmetallic mineral products	19.84	23.59	3.99	3.99	4.08	4.25	3.59	27.62	3.69	3.36
Primary metal industries	14.07	13.41	0.55	0.59	0.56	0.59	0.73	5.46	0.73	0.66
Ferrous metal industries, miscellaneous										
Primary metal products	15.83	17.23	0.69	0.78	0.70	0.72	1.22	6.31	1.21	1.12
Nonferrous metal industries	26.82	19.03	0.91	0.89	0.93	1.00	0.78	10.58	0.78	0.70
Fabricated metal products	6.08	6.44	1.56	1.64	1.59	1.66	1.65	8.44	1.63	1.53
Metal cans and shipping containers	33.76	38.49	1.61	1.53	1.65	1.82	1.45	87.05	1.35	1.34
Cutlery, hand tools, and hardware, screw machine products, bolts, and similar products	17.54	18.45	4.10	4.29	4.16	4.63	3.62	28.38	3.43	3.11
Plumbing and heating, except electric and warm air	45.98	49.88	5.94	5.47	6.02	6.53	4.89	44.28	3.93	3.72
Fabricated structural metal products	11.28	11.33	3.20	3.33	3.23	3.22	3.53	15.24	3.55	3.41
Metal forgings and stampings	17.90	19.28	5.22	5.59	5.22	5.28	6.11	25.15	6.20	6.10
Coating, engraving, and allied services	21.91	21.90	7.80	7.93	7.88	7.92	10.97	37.53	11.15	11.17
Ordnance and accessories, except vehicles and guided missiles	69.61	54.79	5.00	2.67	5.04	4.88	2.80	79.41	2.90	2.56
Miscellaneous fabricated metal products	9.73	10.71	3.37	3.70	3.44	3.70	3.30	12.23	3.27	3.09
Machinery, except electrical	7.43	8.01	0.78	0.80	0.84	0.90	0.65	7.49	0.63	0.56
Farm machinery	27.39	23.94	2.43	2.61	2.58	2.71	2.67	16.03	2.49	2.20
Construction and related machinery	20.71	21.56	1.26	1.31	1.28	1.34	1.34	0.49	1.25	1.15
Metalworking machinery	12.93	13.46	4.60	4.71	4.67	4.93	4.21	31.56	4.22	3.77
Special industry machinery	18.63	22.35	3.88	4.02	3.93	3.98	4.55	25.24	4.41	4.28
General industrial machinery	20.53	22.84	2.05	2.11	2.10	2.08	2.50	23.61	2.48	2.32
Office, computing, and accounting machines	41.74	28.97	0.42	0.33	0.50	0.61	0.25	17.68	0.24	0.21
Other machinery, except electrical	15.98	17.35	3.20	3.36	3.24	3.26	3.74	13.73	3.63	3.36
Electrical and electronic equipment	9.25	9.96	0.72	0.76	0.75	0.79	0.85	4.14	0.86	0.79
Household appliances	44.14	44.85	1.94	1.93	1.99	2.17	2.19	6.77	2.19	1.76
Radio, television, and communication equipment	25.24	23.08	1.21	1.21	1.27	1.32	1.27	9.25	1.82	1.76
Electronic components and accessories	13.45	15.14	1.78	1.82	1.81	1.84	2.60	13.53	2.23	2.05
Other electrical equipment	15.67	15.85	1.08	1.23	1.12	1.27	1.03	3.80	1.00	0.90
Motor vehicles and equipment	17.02	19.59	0.38	0.38	0.40	0.41	0.36	1.61	0.36	0.32
Transportation equipment, except motor vehicles	22.65	29.86	0.94	0.88	0.98	1.01	1.51	2.70	1.61	1.50
Aircraft, guided missiles and parts	45.27	49.63	0.47	0.51	0.49	0.45	1.35	1.84	1.45	1.34
Ship and boat building and repairing	33.20	49.15	6.44	5.87	6.64	6.45	6.81	14.81	6.91	6.75
Other transportation equipment, except motor vehicles	28.03	38.96	6.21	7.40	6.26	6.63	7.83	13.09	7.87	7.86
Instruments and related products	15.46	17.97	1.52	1.60	1.56	1.69	1.46	8.22	1.39	1.28
Scientific instruments and measuring devices, watches and clocks	25.16	26.36	2.58	2.81	2.63	2.57	3.33	10.96	3.34	3.22
Optical, medical, and ophthalmic goods	20.71	24.56	3.21	3.31	3.29	3.74	2.96	18.03	2.53	2.10
Photographic equipment and supplies	50.15	45.29	1.62	1.58	1.68	2.05	0.91	8.78	0.89	0.83
Miscellaneous manufacturing and manufacturing not allocable	10.76	**	6.08	**	6.23	8.41	**	11.27	2.96	2.78
<b>Transportation and public utilities</b>										
Transportation	4.25	5.30	0.56	0.57	0.57	0.69	0.53	2.16	0.50	0.43
Railroad transportation	4.86	6.07	1.33	1.46	1.37	1.52	1.49	2.91	1.53	1.40
Local and interurban passenger transit	64.48	28.47	0.55	0.64	0.59	0.73	0.96	0.06	0.98	1.00
Trucking and warehousing	14.93	19.68	13.46	13.04	13.77	17.17	13.69	29.22	14.61	16.16
Water transportation	7.01	8.31	2.93	3.29	2.96	3.22	4.05	10.22	4.32	4.16
Transportation by air	13.60	16.78	2.97	4.27	3.05	3.09	4.38	8.48	5.06	4.92
Pipelines, except natural gas	18.24	28.03	1.72	1.87	1.78	2.11	3.43	5.34	2.20	2.15
Transportation services, not elsewhere classified	31.26	31.97	1.71	1.18	1.71	1.87	1.79	63.35	1.99	1.98
Communication	10.90	13.18	7.81	8.02	8.00	9.36	6.94	22.64	6.86	5.82
Telephone, telegraph, and other communication services	12.50	14.51	0.48	0.42	0.47	0.55	0.66	14.10	0.59	0.50
Radio and television broadcasting	19.55	22.22	0.32	0.24	0.31	0.40	0.53	26.19	0.47	0.39
Electric, gas, and sanitary services	15.67	19.14	2.78	2.80	2.79	2.68	2.38	16.58	2.15	1.96
Electric services	12.64	15.74	0.33	0.35	0.34	0.38	0.37	2.27	0.34	0.23
Gas production and distribution	51.30	15.39	0.06	0.06	0.06	0.07	0.05	2.08	0.05	0.02
Combination utility services	31.49	34.75	0.57	0.60	0.58	0.65	0.42	2.21	0.38	0.27
Water supply and other sanitary services	58.17	58.93	0.23	0.29	0.24	0.23	0.46	(*)	0.47	0.18
	14.59	18.79	7.30	7.32	7.48	9.18	6.03	25.62	5.94	4.61
<b>Wholesale and retail trade</b>										
Wholesale trade	1.29	1.58	0.63	0.68	0.64	0.71	0.61	2.25	0.75	0.72
Groceries and related products	2.22	2.39	0.92	0.94	0.92	0.98	0.78	3.21	1.12	1.10
Machinery, equipment, and supplies	7.52	8.02	2.93	3.29	2.95	3.05	3.47	11.22	3.94	3.86
Miscellaneous wholesale trade	4.92	5.14	2.10	2.24	2.12	2.19	1.73	8.17	3.08	3.09
Motor vehicles and automotive equipment	2.72	2.93	1.07	1.08	1.08	1.14	0.93	3.64	1.28	1.25
Furniture and home furnishings	7.98	8.93	3.27	3.01	3.29	3.47	2.49	11.13	3.88	3.70
Lumber and construction materials	17.78	22.93	8.58	9.77	8.65	8.95	12.78	23.56	14.13	15.27
Sporting, recreational, photographic, and hobby goods, toys, and supplies	10.53	10.62	5.45	5.77	5.48	5.81	5.38	17.24	6.15	6.28
Metals and minerals, except petroleum and scrap	24.86	31.64	7.28	9.38	7.31	7.32	10.18	15.58	14.32	14.92
Electrical goods	15.08	16.00	2.23	2.37	2.24	2.11	3.59	18.75	4.38	4.29
Hardware, plumbing, and heating equipment and supplies	9.08	9.59	3.54	3.76	3.55	3.73	2.40	11.38	4.76	4.65
Other durable goods	9.81	10.07	4.78	4.85	4.81	4.91	5.63	24.57	6.06	6.18
Paper and paper products	7.62	8.40	4.21	4.55	4.27	4.69	3.25	12.03	4.87	5.11
Drugs, drug preparations, and druggists' sundries	15.32	16.37	6.41	6.56	6.44	6.50	6.15	35.64	8.67	8.85
Apparel, piece goods, and notions	22.94	24.10	7.28	7.37	7.31	7.57	6.43	25.29	9.64	9.17
Farm-product raw materials	11.53	12.64	4.25	4.55	4.26	4.10	6.44	13.64	7.53	7.81
Chemicals and allied products	9.52	10.59	4.31	4.03	4.36	4.53	3.54	14.95	4.47	3.93
Petroleum and petroleum products	17.52	19.04	5.27	5.18	5.33	5.80	2.26	33.94	11.13	11.72
Alcoholic beverages	8.78	8.72	1.99	2.08	2.00	1.94	1.77	7.60	1.88	1.72
Miscellaneous nondurable goods, wholesale trade not allocable	15.86	15.78	6.30	6.52	6.33	6.36	7.20	30.60	7.92	8.00
	8.05	9.03	3.36	3.62	3.39	3.45	4.03	6.23	5.05	5.04

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 2.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficient of Variation, by Minor Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Coefficient of Variation (Percent)									
	Number of returns		Total receipts		Business receipts	Cost of sales and operations	Net income	Deficit	Income subject to tax	Total income tax
	Total	With net income	All returns	Returns with net income						
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>Wholesale and retail trade — Continued</b>										
Retail trade	1 75	2 22	0 95	1 05	0 97	1 10	1 07	3 20	1 06	0 94
Building materials, garden supplies, and mobile home dealers	6 18	6 82	3 64	3 87	3 66	3 80	4 41	13 14	4 43	4 41
Building materials dealers	8 27	8 70	4 33	4 56	4 36	4 53	5 14	17 60	5 03	4 96
Hardware stores	12 25	13 63	9 35	9 94	9 37	9 57	11 57	30 52	12 16	12 78
Garden supplies and mobile home dealers	13 96	15 99	9 73	10 98	9 84	10 32	12 29	25 90	12 93	13 02
General merchandise stores	13 56	15 53	0 76	0 76	0 83	0 91	1 03	10 04	1 03	0 89
Food stores	7 14	8 40	2 15	2 31	2 16	2 24	2 34	10 24	2 15	1 85
Grocery stores	8 24	9 06	2 19	2 35	2 20	2 28	2 34	10 99	2 14	1 85
Other food stores	13 47	20 46	10 81	13 48	10 80	11 48	14 31	21 16	15 15	14 47
Automotive dealers and service stations	4 09	5 00	2 56	3 14	2 57	2 62	3 61	6 10	3 78	3 94
Motor vehicle dealers	5 06	6 13	3 03	3 88	3 04	3 07	4 72	6 88	4 97	5 50
Gasoline service stations	10 62	11 92	6 87	7 37	6 90	6 96	7 42	27 69	7 69	7 32
Other automotive dealers	7 89	9 26	5 70	6 54	5 74	5 85	7 91	14 48	8 32	8 64
Apparel and accessory stores	6 72	8 18	3 87	4 39	3 89	4 25	4 39	11 53	4 67	4 24
Furniture and home furnishings stores	6 65	7 66	4 55	4 97	4 59	4 95	4 69	12 92	4 81	4 33
Eating and drinking places	4 41	6 09	3 29	3 78	3 37	3 72	3 87	7 40	3 72	3 22
Miscellaneous retail stores	3 74	4 49	2 32	2 49	2 34	2 63	2 69	8 29	2 68	2 41
Drug stores and proprietary stores	10 21	11 68	3 23	3 20	3 23	3 05	3 63	26 13	3 25	2 03
Liquor stores	13 15	15 24	11 43	12 80	11 47	11 77	14 72	28 17	15 45	13 89
Other retail stores	4 26	5 15	3 00	3 31	3 03	3 56	3 36	9 04	3 43	3 26
Wholesale and retail trade not allocable	38 54	55 12	24 63	40 99	24 70	26 40	38 51	34 18	39 46	41 49
<b>Finance, insurance, and real estate</b>										
Banking	2 35	2 48	0 19	0 09	0 51	0 04	0 19	2 38	0 19	0 17
Mutual savings banks	0 77	0 84	0 04	0 04	( <sup>1</sup> )	( <sup>1</sup> )	0 08	( <sup>1</sup> )	0 09	0 07
Bank holding companies	7 59	5 30	0 08	0 09	0 58	0 03	0 20	1 66	0 18	0 16
Banks, except mutual savings banks and bank holding companies	2 56	2 80	0 66	0 29	1 25	1 08	0 45	3 06	0 46	0 42
Credit agencies other than banks	5 62	6 99	0 33	0 29	1 85	4 89	1 07	4 85	0 85	0 57
Savings and loan associations	1 93	2 04	0 06	0 07	0 19	0 57	0 13	0 31	0 14	0 08
Personal credit institutions	18 10	20 91	0 75	0 66	0 32	0 32	1 77	28 82	1 84	1 25
Business credit institutions	23 25	23 69	3 31	2 65	5 67	49 68	2 18	14 19	2 16	2 02
Other credit agencies, finance not allocable	6 62	8 73	1 87	1 67	10 20	35 70	4 20	8 97	4 08	3 08
Security, commodity brokers and services	16 89	19 44	2 41	2 78	5 07	32 27	4 27	7 50	4 03	3 65
Security brokers, dealers, and flotation companies	18 33	21 15	1 99	2 24	4 82	3 92	4 65	14 86	4 27	3 76
Commodity contracts brokers and dealers, security and commodity exchanges, and allied services	28 70	36 79	9 48	12 48	10 80	49 46	10 74	8 59	11 59	11 55
Insurance	12 35	13 49	0 09	0 08	0 10	0 08	0 18	2 54	0 20	0 16
Life insurance	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Mutual insurance, except life or marine and certain fire or flood insurance companies	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Other insurance companies	20 13	23 68	0 27	0 25	0 29	0 22	0 61	5 76	1 02	0 83
Insurance agents, brokers, and service	6 95	8 19	7 82	7 39	8 15	15 47	4 11	14 74	3 53	2 83
Real estate	2 61	3 39	2 98	3 51	4 19	6 70	2 95	4 48	3 27	3 46
Real estate operators and lessors of buildings	3 25	3 99	3 10	3 78	6 09	9 40	3 51	4 86	3 76	4 01
Lessors of mining, oil, and similar property	38 94	46 47	13 34	14 67	11 33	0 45	18 08	65 17	18 86	20 93
Lessors of railroad property, and of real property, not elsewhere classified	16 46	20 29	14 21	15 99	30 46	44 76	19 57	27 70	22 12	23 13
Condominium management and cooperative housing associations	20 30	32 91	15 58	35 65	17 86	85 51	26 87	16 87	34 04	22 50
Subdividers and developers	6 63	8 28	2 70	3 41	3 36	2 36	3 89	5 78	4 03	3 73
Other real estate	4 98	7 06	5 15	6 08	5 53	8 98	5 87	8 96	7 29	7 28
Holding and other investment companies, except bank holding companies	5 95	7 17	1 61	1 84	5 65	5 81	0 89	7 34	4 49	4 61
Regulated investment companies	6 27	4 14	0 38	0 36	22 26	—	0 36	56 96	51 34	50 18
Real estate investment trusts	57 92	9 07	5 29	0 73	( <sup>1</sup> )	—	0 75	21 31	( <sup>1</sup> )	( <sup>1</sup> )
Small business investment companies	45 86	51 90	14 55	17 73	5 46	—	26 00	41 61	11 89	10 03
Other holding and investment companies, except bank holding companies	6 15	7 45	3 27	4 11	5 70	5 81	2 97	7 91	4 55	4 67
<b>Services</b>										
Hotels and other lodging places	1 67	2 28	1 74	2 00	1 79	2 45	1 64	3 57	1 71	1 56
Personal services	8 64	10 64	4 19	4 04	4 39	4 57	3 62	10 76	3 25	2 77
Business services	7 30	8 98	5 89	6 53	5 98	6 09	6 39	16 96	6 89	6 63
Advertising	3 85	4 97	3 45	3 94	3 56	4 88	3 11	6 38	3 24	3 01
Business services, except advertising	11 44	14 19	9 92	10 83	10 04	12 55	5 76	20 79	5 55	4 84
Auto repair, miscellaneous repair services	4 13	5 31	3 32	3 69	3 43	4 30	3 56	6 68	3 77	3 56
Auto repair and services	5 84	7 24	5 15	6 21	5 32	7 16	6 15	11 17	6 56	6 74
Miscellaneous repair services	7 06	8 79	6 06	7 39	6 31	9 13	6 89	11 99	7 27	6 87
Amusement and recreation services	10 59	12 87	9 69	11 15	9 76	10 06	12 41	27 30	13 84	16 21
Motion picture production, distribution, and services	6 58	8 63	3 41	3 61	3 60	3 98	3 43	9 40	3 22	2 89
Motion picture theaters	17 79	21 36	4 56	4 74	4 89	4 76	4 18	20 59	3 78	3 00
Amusement and recreation services, except motion pictures	24 94	32 92	8 84	8 65	9 11	9 94	12 20	29 02	10 69	10 70
Other services	7 37	9 77	5 49	6 12	5 74	6 85	5 19	11 10	5 14	4 86
Offices of physicians, including osteopathic physicians	2 79	3 57	3 34	3 88	3 40	4 79	3 50	6 73	3 72	3 57
Offices of dentists	5 46	6 23	6 81	7 72	6 85	10 22	8 45	17 49	8 77	9 40
Offices of other health practitioners	10 04	11 54	13 92	12 61	10 89	11 31	16 33	28 91	16 81	17 54
Nursing and personal care facilities	25 38	31 18	30 02	36 46	29 99	32 16	46 90	54 99	52 31	51 64
Hospitals	12 61	14 77	8 25	9 11	8 37	8 53	10 81	20 66	11 29	11 66
Medical laboratories	38 92	46 43	5 08	4 47	5 23	5 72	5 85	32 57	4 21	3 29
Other medical services	26 50	30 71	21 64	21 72	21 91	21 57	21 95	52 21	25 02	24 24
Legal services	14 82	18 37	14 89	16 64	15 08	17 35	14 12	28 46	14 73	12 32
Educational services	11 57	13 30	13 75	15 36	13 81	20 23	16 20	33 49	19 39	22 22
Social services	14 29	18 77	12 96	13 62	13 05	16 11	14 03	24 84	14 69	15 38
Membership organizations	23 62	37 01	43 32	62 49	43 42	49 26	43 56	49 21	54 83	69 32
Architectural and engineering services	22 94	29 42	18 41	26 00	19 23	14 93	20 81	17 78	24 63	21 34
Accounting, auditing, and bookkeeping services	9 85	12 21	8 32	9 59	6 44	9 04	7 91	15 75	9 05	8 27
Miscellaneous services (including veterinarians), not elsewhere classified	14 66	16 89	17 49	18 89	17 61	26 42	21 66	40 41	24 54	26 92
Nature of business not allocable	6 19	9 69	13 37	17 96	13 88	20 47	10 13	12 71	11 02	12 24
	15 44	23 00	24 06	26 40	25 17	30 25	31 29	30 97	35 80	34 27

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 2.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficient of Variation, by Minor Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Coefficient of Variation (Percent)								
	Foreign tax credit	Investment credit	Jobs credit	Total income tax after credits	Distributions to stockholders except in own stock		Total assets	Depreciable assets	Depreciation deduction
					All returns	Returns with net income			
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(39)	(40)
<b>Total returns of active corporations.....</b>	<b>0.02</b>	<b>0.19</b>	<b>0.19</b>	<b>0.21</b>	<b>0.57</b>	<b>0.59</b>	<b>0.04</b>	<b>0.12</b>	<b>0.17</b>
<b>Agriculture, forestry, and fishing.....</b>	<b>0.27</b>	<b>5.75</b>	<b>10.75</b>	<b>5.08</b>	<b>12.40</b>	<b>12.76</b>	<b>2.39</b>	<b>2.99</b>	<b>3.32</b>
Agricultural production .....	(*)	6.41	10.41	5.06	12.83	13.18	2.59	3.26	3.66
Agricultural services (except veterinarians), forestry, fishing, hunting, and trapping .....	41.55	13.05	30.73	15.06	37.37	38.62	6.29	7.55	8.00
<b>Mining.....</b>	<b>0.01</b>	<b>2.53</b>	<b>7.33</b>	<b>1.95</b>	<b>7.12</b>	<b>7.62</b>	<b>0.58</b>	<b>0.98</b>	<b>1.60</b>
Metal mining .....	1.91	1.81	2.69	0.49	(*)	(*)	0.83	1.10	0.73
Iron ores .....	(*)	1.42	(*)	1.83	(*)	(*)	1.42	1.43	1.15
Copper, lead and zinc, gold and silver ores .....	2.13	2.43	4.34	0.52	(*)	(*)	0.83	1.41	0.94
Other metal mining .....	(*)	(*)	—	(*)	(*)	(*)	6.16	7.06	3.27
Coal mining .....	(*)	4.63	8.78	4.23	3.33	4.09	1.68	2.61	3.48
Oil and gas extraction .....	(*)	3.72	12.18	2.42	9.04	9.52	0.69	1.17	2.21
Crude petroleum, natural gas, and natural gas liquids .....	(*)	2.97	4.79	2.69	10.41	10.73	0.62	0.59	1.23
Oil and gas field services .....	0.03	5.78	17.29	4.13	8.22	9.99	2.09	3.09	3.80
Nonmetallic minerals, except fuels .....	0.23	5.07	7.56	6.73	4.47	4.31	3.22	3.96	5.37
Dimension, crushed, and broken stone, sand and gravel .....	(*)	7.97	8.38	9.57	10.17	9.99	5.46	6.38	7.37
Other nonmetallic minerals, except fuels .....	0.23	3.48	17.42	4.41	3.37	3.37	2.43	2.66	4.41
<b>Construction.....</b>	<b>0.03</b>	<b>3.06</b>	<b>5.81</b>	<b>2.49</b>	<b>5.49</b>	<b>5.85</b>	<b>1.14</b>	<b>1.89</b>	<b>2.00</b>
General building contractors and operative builders .....	0.03	5.24	9.06	3.66	8.86	10.12	1.53	2.48	2.76
General building contractors .....	0.03	5.33	9.11	4.00	9.81	10.86	1.66	2.56	2.73
Operative builders .....	(*)	29.61	56.33	7.58	10.26	16.87	3.85	9.63	16.44
Heavy construction contractors .....	0.04	5.14	10.49	4.18	4.47	4.40	2.46	3.57	3.72
Special trade contractors .....	1.22	5.18	8.29	5.13	13.17	13.51	2.50	3.41	3.58
Plumbing, heating, and air conditioning .....	(*)	10.77	16.92	10.76	34.54	37.50	4.84	6.17	6.99
Electrical work .....	0.18	14.30	15.18	13.42	22.64	22.95	5.65	8.08	8.07
Other special trade contractors and contractors not allocable .....	9.24	6.40	10.91	6.47	17.67	17.95	3.46	4.46	4.65
<b>Manufacturing.....</b>	<b>0.05</b>	<b>0.20</b>	<b>0.17</b>	<b>0.26</b>	<b>0.61</b>	<b>0.62</b>	<b>0.12</b>	<b>0.15</b>	<b>0.20</b>
Food and kindred products .....	(*)	0.86	0.66	0.90	0.93	0.94	0.51	0.76	0.86
Meat products .....	(*)	2.52	1.45	4.60	4.69	4.83	1.85	2.31	2.08
Dairy products .....	(*)	2.38	1.22	1.54	3.42	3.32	1.65	2.32	2.69
Preserved fruits and vegetables .....	(*)	1.10	0.83	1.49	2.00	2.17	0.78	1.09	0.91
Grain mill products .....	(*)	1.64	1.36	1.22	0.27	0.28	1.14	1.42	1.47
Bakery products .....	(*)	7.06	5.20	5.07	3.57	3.72	3.83	4.38	5.35
Sugar and confectionery products .....	(*)	3.01	1.47	2.90	0.50	0.51	1.34	1.88	2.39
Malt liquors and malt .....	(*)	(*)	(*)	(*)	(*)	(*)	0.79	1.39	0.85
Alcoholic beverages, except malt liquors and malt .....	(*)	1.79	0.30	1.26	0.19	0.19	0.72	1.41	1.44
Bottled soft drinks and flavonings .....	(*)	3.36	2.67	3.62	3.63	3.64	2.11	3.42	3.73
Other food and kindred products .....	(*)	2.91	3.16	2.96	2.49	2.52	1.87	2.75	3.36
Tobacco manufactures .....	(*)	0.01	0.01	0.02	(*)	..	0.12	0.17	0.18
Textile mill products .....	(*)	2.44	1.50	2.54	2.11	1.97	1.60	1.74	2.10
Weaving mills and textile finishing .....	(*)	1.44	0.76	2.86	3.48	1.33	1.74	1.98	3.00
Knitting mills .....	(*)	10.10	9.48	8.35	19.64	20.46	5.99	7.05	8.51
Other textile mill products .....	(*)	4.03	2.36	3.82	1.97	1.98	2.42	2.63	2.72
Apparel and other textile products .....	0.44	6.69	10.04	3.52	2.37	2.61	2.49	3.65	4.18
Men's and boys' clothing .....	0.36	6.26	3.44	3.92	0.63	0.66	2.92	5.50	5.11
Women's and children's clothing .....	2.02	14.46	30.20	7.05	4.82	5.67	4.56	6.02	7.80
Other apparel and accessories .....	(*)	19.46	24.07	14.24	24.05	24.71	11.08	17.16	16.73
Miscellaneous fabricated textile products, textile products, not elsewhere classified .....	3.76	15.67	22.30	9.82	14.25	14.32	7.34	9.06	9.50
Lumber and wood products .....	0.13	1.40	1.28	2.58	2.27	2.29	1.19	1.47	1.79
Logging, sawmills, and planing mills .....	(*)	2.30	2.12	3.02	4.56	4.58	1.55	2.27	2.95
Millwork, plywood, and related products .....	(*)	1.25	1.02	4.92	1.33	1.35	2.07	1.94	2.06
Other wood products, including wood buildings and mobile homes .....	17.54	6.63	8.39	7.18	4.42	4.44	3.38	4.57	5.13
Furniture and fixtures .....	0.29	5.12	7.79	4.41	6.51	6.67	3.51	3.91	4.22
Paper and allied products .....	0.01	0.51	0.35	1.12	1.11	1.11	0.75	0.74	0.95
Pulp, paper, and board mills .....	(*)	0.09	(*)	0.22	0.01	0.01	0.36	0.49	0.87
Other paper products .....	0.02	1.85	1.35	2.52	2.54	2.54	2.23	2.29	2.39
Printing and publishing .....	0.04	2.26	2.18	1.19	2.58	2.61	1.26	1.92	2.44
Newspapers .....	0.07	2.02	0.62	1.54	3.21	3.25	1.36	2.18	2.24
Periodicals .....	(*)	1.80	1.11	4.42	9.10	9.14	2.66	3.44	3.34
Books, greeting cards, and miscellaneous publishing .....	0.14	4.10	1.83	1.98	5.83	5.90	2.45	5.85	5.11
Commercial and other printing and printing trade services .....	(*)	6.22	8.05	3.39	6.63	6.65	3.52	4.00	5.71
<b>Chemicals and allied products .....</b>	<b>0.10</b>	<b>0.39</b>	<b>0.40</b>	<b>0.49</b>	<b>0.16</b>	<b>0.15</b>	<b>0.32</b>	<b>0.33</b>	<b>0.47</b>
Industrial chemicals, plastics materials and synthetics .....	0.04	0.46	0.47	0.62	0.27	0.27	0.43	0.42	0.58
Drugs .....	0.02	0.75	0.51	0.87	0.03	0.03	0.43	0.61	0.65
Soap, cleaners, and toilet goods .....	0.56	0.57	2.20	0.79	0.36	0.36	0.77	0.74	2.07
Paints and allied products .....	(*)	7.02	1.31	6.32	4.85	4.89	5.25	4.90	5.27
Agricultural and other chemical products .....	0.02	1.93	1.13	2.77	1.44	1.43	1.19	1.02	1.41
<b>Petroleum (including integrated) and coal products .....</b>	<b>(*)</b>	<b>0.07</b>	<b>0.04</b>	<b>0.19</b>	<b>0.01</b>	<b>0.01</b>	<b>0.05</b>	<b>0.06</b>	<b>0.10</b>
Petroleum refining (including integrated) .....	(*)	0.04	0.03	0.10	(*)	(*)	0.04	0.03	0.05
Petroleum and coal products, not elsewhere classified .....	(*)	5.35	1.52	11.38	3.20	3.20	5.83	5.56	6.66
<b>Rubber and miscellaneous plastics products .....</b>	<b>0.45</b>	<b>3.27</b>	<b>3.15</b>	<b>3.63</b>	<b>3.24</b>	<b>3.30</b>	<b>1.48</b>	<b>1.66</b>	<b>2.40</b>
Rubber products; plastics footwear, hose and belting .....	0.33	2.51	1.52	3.73	1.63	1.65	0.92	0.90	1.25
Miscellaneous plastics products .....	1.21	6.45	10.70	5.49	11.31	11.77	3.68	4.50	4.97
<b>Leather and leather products .....</b>	<b>(*)</b>	<b>8.64</b>	<b>14.50</b>	<b>4.95</b>	<b>1.85</b>	<b>1.76</b>	<b>5.28</b>	<b>4.26</b>	<b>4.94</b>
Footwear, except rubber .....	(*)	5.96	9.01	3.42	0.82	0.72	2.95	3.90	4.28
Leather and leather products, not elsewhere classified .....	(*)	25.15	51.80	17.57	19.64	20.74	17.75	12.36	14.10

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 2.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficient of Variation, by Minor Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Coefficient of Variation (Percent)								
	Foreign tax credit	Investment credit	Jobs credit	Total income tax after credits	Distributions to stockholders except in own stock		Total assets	Depreciable assets	Depreciation deduction
					All returns	Returns with net income			
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(39)	(40)
<b>Manufacturing — Continued</b>									
Stone, clay, and glass products	( <sup>1</sup> )	1.91	2.79	2.13	2.66	2.67	1.24	1.43	1.89
Glass products	( <sup>1</sup> )	0.81	0.47	3.13	0.39	0.39	1.15	0.68	0.98
Cement, hydraulic	( <sup>1</sup> )	0.37	( <sup>1</sup> )	0.90	0.05	0.05	1.04	1.37	1.71
Concrete, gypsum, and plaster products	( <sup>1</sup> )	5.67	10.74	4.01	8.88	8.88	3.60	4.29	5.17
Other nonmetallic mineral products	( <sup>1</sup> )	4.47	7.21	4.93	5.70	5.72	2.44	2.88	3.17
Primary metal industries	0.02	0.51	0.29	0.98	0.38	0.42	0.27	0.31	0.46
Ferrous metal industries, miscellaneous primary metal products	0.06	0.76	0.40	1.50	0.59	0.70	0.44	0.38	0.61
Nonferrous metal industries	( <sup>1</sup> )	0.64	0.40	1.15	0.49	0.49	0.32	0.52	0.67
Fabricated metal products	1.40	2.07	2.42	1.81	2.85	2.88	1.08	1.33	1.62
Metal cans and shipping containers	( <sup>1</sup> )	0.55	0.46	2.58	0.01	( <sup>1</sup> )	0.94	1.17	1.06
Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products	3.63	7.00	11.79	3.48	5.30	5.33	2.59	3.67	4.62
Plumbing and heating, except electric and warm air	( <sup>1</sup> )	4.42	5.46	3.91	13.54	13.65	4.47	4.77	4.44
Fabricated structural metal products	4.66	3.36	3.71	4.16	5.28	5.32	2.29	2.52	3.19
Metal forgings and stampings	( <sup>1</sup> )	8.69	10.05	6.60	6.76	6.82	4.14	4.96	5.91
Coating, engraving, and allied services	( <sup>1</sup> )	11.13	9.20	12.26	25.74	25.94	5.90	8.34	9.68
Ordinance and accessories, except vehicles and guided missiles	( <sup>1</sup> )	0.33	( <sup>1</sup> )	2.75	( <sup>1</sup> )	( <sup>1</sup> )	5.49	5.38	7.14
Miscellaneous fabricated metal products	0.14	5.30	7.16	3.66	7.94	8.23	2.41	3.02	3.42
Machinery, except electrical	0.09	0.90	0.78	0.86	0.58	0.59	0.44	0.59	0.60
Farm machinery	0.78	2.65	1.93	2.31	1.02	1.03	1.41	2.34	2.53
Construction and related machinery	0.02	0.84	0.73	1.47	1.31	1.32	0.85	0.66	0.70
Metalworking machinery	3.21	7.39	9.51	4.09	7.86	7.99	3.28	4.42	5.21
Special industry machinery	2.52	5.23	6.59	5.17	6.31	6.36	2.98	3.59	3.88
General industrial machinery	0.01	2.04	2.92	2.90	2.34	2.38	1.25	1.92	2.22
Office, computing, and accounting machines	( <sup>1</sup> )	0.36	0.34	0.51	0.01	( <sup>1</sup> )	0.23	0.28	0.43
Other machinery, except electrical	0.41	6.24	6.81	3.73	4.80	4.92	2.35	3.28	3.96
Electrical and electronic equipment	0.66	0.69	0.52	1.09	0.33	0.34	0.41	0.47	0.48
Household appliances	( <sup>1</sup> )	1.29	0.45	2.02	1.56	1.56	1.30	1.57	1.61
Radio, television, and communication equipment	1.61	0.88	0.53	2.94	0.26	0.26	0.56	0.94	0.66
Electronic components and accessories	2.21	2.15	2.90	2.49	1.73	1.78	1.16	1.45	1.72
Other electrical equipment	0.01	0.71	0.40	1.39	0.35	0.37	0.63	0.53	0.51
Motor vehicles and equipment	0.01	0.23	0.17	0.55	7.74	7.87	0.22	0.29	0.24
Transportation equipment, except motor vehicles	( <sup>1</sup> )	1.11	1.41	2.09	1.08	1.29	0.50	0.76	1.06
Aircraft, guided missiles and parts	( <sup>1</sup> )	0.72	0.52	2.16	1.21	1.36	0.40	0.69	0.92
Ship and boat building and repairing	( <sup>1</sup> )	15.59	18.43	6.03	( <sup>1</sup> )	( <sup>1</sup> )	2.72	5.61	5.84
Other transportation equipment, except motor vehicles	( <sup>1</sup> )	4.03	1.40	8.72	6.23	7.65	3.15	2.36	3.67
Instruments and related products	0.86	1.34	1.17	1.70	1.21	1.18	1.11	0.94	1.18
Scientific instruments and measuring devices; watches and clocks	2.97	2.83	2.68	3.96	1.62	2.60	2.07	1.83	2.36
Optical, medical, and ophthalmic goods	0.03	3.76	3.60	3.40	3.92	3.47	2.01	2.58	3.14
Photographic equipment and supplies	( <sup>1</sup> )	0.63	0.62	1.09	0.03	0.03	1.33	0.89	0.89
Miscellaneous manufacturing and manufacturing not allocable	0.42	4.58	4.28	3.30	4.90	**	1.94	2.80	3.42
<b>Transportation and public utilities</b>									
Transportation	0.05	0.30	0.22	0.66	0.16	0.17	0.15	0.16	0.30
Railroad transportation	( <sup>1</sup> )	1.27	1.29	1.90	1.37	1.41	0.49	0.62	1.07
Local and interurban passenger transit	( <sup>1</sup> )	0.04	( <sup>1</sup> )	2.19	0.63	0.63	0.17	0.16	0.21
Trucking and warehousing	0.02	17.53	29.09	18.62	43.04	43.05	8.32	10.90	11.72
Water transportation	0.24	5.23	5.57	4.72	6.14	6.34	1.82	2.58	2.71
Transportation by air	( <sup>1</sup> )	5.10	11.71	7.57	1.05	1.09	1.87	2.97	4.05
Pipelines, except natural gas	( <sup>1</sup> )	1.19	2.22	5.29	0.53	0.78	0.63	0.63	1.09
Transportation services, not elsewhere classified	( <sup>1</sup> )	2.12	55.80	2.11	1.41	1.41	1.25	2.15	2.29
Communication	0.21	8.31	2.07	6.82	8.76	8.82	2.39	2.53	4.47
Telephone, telegraph, and other communication services	( <sup>1</sup> )	0.26	0.12	0.94	0.21	0.21	0.22	0.23	0.27
Radio and television broadcasting	0.46	0.22	0.09	0.89	0.08	0.08	0.17	0.20	0.21
Electric, gas, and sanitary services	( <sup>1</sup> )	3.71	4.89	1.98	3.99	4.48	2.09	3.97	3.51
Electric services	( <sup>1</sup> )	0.19	0.21	0.33	0.06	0.07	0.14	0.15	0.26
Gas production and distribution	( <sup>1</sup> )	0.03	( <sup>1</sup> )	0.02	0.01	0.02	0.03	0.03	0.04
Combination utility services	( <sup>1</sup> )	0.54	0.13	0.28	0.27	0.30	0.48	0.61	0.33
Water supply and other sanitary services	( <sup>1</sup> )	0.08	( <sup>1</sup> )	0.32	( <sup>1</sup> )	( <sup>1</sup> )	0.04	0.03	0.09
Wholesale and retail trade	0.12	4.38	4.66	5.72	2.60	2.58	3.39	3.88	6.95
Wholesale trade	0.14	0.95	1.00	0.83	3.46	3.52	0.40	0.60	0.72
Groceries and related products	( <sup>1</sup> )	1.68	2.15	1.32	5.04	5.11	0.60	1.03	1.18
Machinery, equipment, and supplies	0.15	4.63	6.42	4.24	5.50	4.23	2.10	3.01	3.89
Miscellaneous wholesale trade	0.14	3.92	6.10	3.34	1.79	1.80	1.57	2.54	2.64
Motor vehicles and automotive equipment	0.08	2.04	2.41	1.54	7.57	7.69	0.72	1.26	1.42
Furniture and home furnishings	( <sup>1</sup> )	5.34	11.47	3.86	4.57	4.58	2.44	3.68	4.86
Lumber and construction materials	( <sup>1</sup> )	13.26	12.86	16.59	34.41	37.68	6.65	7.63	8.21
Sporting, recreational, photographic, and hobby goods, toys, and supplies	( <sup>1</sup> )	8.14	11.04	6.56	10.18	8.90	4.19	5.95	8.45
Metals and minerals, except petroleum and scrap	( <sup>1</sup> )	82.35	20.39	46.06	14.91	8.02	6.55	12.15	13.45
Electrical goods	3.28	5.67	3.72	4.59	10.34	10.46	1.64	2.74	3.47
Hardware, plumbing, and heating equipment and supplies	7.80	5.52	7.93	4.75	3.74	2.43	2.66	4.22	5.28
Other durable goods	0.54	7.34	13.89	6.48	16.43	16.82	3.86	4.76	5.15
Paper and paper products	( <sup>1</sup> )	9.05	13.43	5.49	2.52	2.50	2.41	5.17	4.88
Drugs, drug proprietaries, and druggists' sundries	0.01	8.99	19.42	9.67	3.35	3.35	5.48	6.80	9.85
Apparel, piece goods, and notions	16.32	12.46	21.46	11.63	3.08	3.00	6.19	9.54	8.51
Farm-product raw materials	( <sup>1</sup> )	10.97	10.10	7.99	15.06	15.19	4.14	7.09	8.41
Chemicals and allied products	0.65	2.45	1.65	5.19	9.87	10.05	1.98	3.27	3.18
Petroleum and petroleum products	( <sup>1</sup> )	14.99	38.87	13.23	1.02	1.02	3.13	7.54	9.61
Alcoholic beverages	63.96	5.10	6.38	3.42	65.52	66.08	1.10	3.37	3.69
Miscellaneous nondurable goods, wholesale trade not allocable	0.84	15.03	35.66	8.07	15.17	15.21	9.70	8.54	9.10
		6.47	6.06	5.70	3.52	3.53	2.56	3.72	4.07

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 2.1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficient of Variation, by Minor Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Coefficient of Variation (Percent)								
	Foreign tax credit	Investment credit	Jobs credit	Total income tax after credits	Distributions to stockholders except in own stock		Total assets	Depreciable assets	Depreciation deduction
					All returns	Returns with net income			
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(39)	(40)
<b>Wholesale and retail trade — Continued</b>									
Retail trade	0.21	1.11	1.05	1.04	2.38	2.37	0.62	0.78	0.97
Building materials, garden supplies, and mobile home dealers	15.11	5.02	5.39	4.66	17.41	17.49	3.17	3.88	4.33
Building materials dealers	15.11	5.87	5.58	5.24	19.94	20.02	3.77	4.50	5.30
Hardware stores	(*)	13.49	23.36	13.39	28.38	28.47	8.56	10.33	10.72
Garden supplies and mobile home dealers	(*)	12.95	28.29	13.85	49.22	49.75	8.17	10.84	10.38
General merchandise stores	(*)	0.46	0.27	1.05	0.80	0.80	0.49	0.55	0.58
Food stores	(*)	1.75	1.49	2.06	6.14	5.38	1.51	1.57	1.76
Grocery stores	(*)	1.71	1.46	2.04	6.24	5.43	1.48	1.47	1.68
Other food stores	—	16.75	21.27	16.72	34.52	36.08	9.99	11.62	11.74
Automotive dealers and service stations	1.54	4.51	6.34	4.28	9.99	10.76	2.05	2.55	3.05
Motor vehicle dealers	—	5.11	9.26	6.13	12.46	13.77	2.48	3.06	3.76
Gasoline service stations	(*)	18.16	17.53	7.60	18.86	17.77	5.45	6.66	6.98
Other automotive dealers	1.54	10.19	20.96	9.55	27.22	28.19	4.91	6.50	7.69
Apparel and accessory stores	38.99	4.98	4.85	4.41	10.87	12.19	3.35	4.11	4.45
Furniture and home furnishings stores	(*)	14.67	34.20	4.33	10.94	11.19	3.75	4.44	4.57
Eating and drinking places	(*)	3.56	2.91	3.59	13.50	13.60	2.18	2.67	3.04
Miscellaneous retail stores	1.90	3.64	3.88	2.60	8.62	8.74	1.81	2.42	2.92
Drug stores and proprietary stores	(*)	3.84	3.48	2.05	6.97	6.80	3.04	3.35	4.64
Liquor stores	—	27.70	46.86	14.81	61.74	61.74	10.33	11.99	12.59
Other retail stores	2.10	4.58	5.50	3.58	11.69	11.85	2.19	2.99	3.46
Wholesale and retail trade not allocable	—	47.90	62.46	44.78	96.71	96.71	18.36	36.46	40.39
<b>Finance, insurance, and real estate</b>	<b>0.10</b>	<b>0.88</b>	<b>1.15</b>	<b>0.44</b>	<b>0.94</b>	<b>0.97</b>	<b>0.07</b>	<b>0.95</b>	<b>0.56</b>
Banking	0.01	0.12	0.09	0.27	0.13	0.14	0.05	0.11	0.09
Mutual savings banks	(*)	0.03	—	0.07	—	—	0.04	—	0.02
Bank holding companies	(*)	0.06	0.07	0.36	0.12	0.12	0.03	0.05	0.06
Banks, except mutual savings banks and bank holding companies	0.64	0.63	0.71	0.44	0.36	0.41	0.19	0.36	0.39
Credit agencies other than banks	0.41	1.12	0.70	0.60	5.76	6.15	0.26	1.26	2.01
Savings and loan associations	(*)	0.40	0.37	0.08	0.12	0.13	0.07	0.08	0.08
Personal credit institutions	(*)	0.42	0.08	1.65	1.01	1.00	0.69	1.20	1.67
Business credit institutions	0.87	5.42	44.07	2.26	5.15	5.16	0.97	11.11	6.92
Other credit agencies, finance not allocable	0.70	10.43	15.69	3.14	13.52	15.14	1.59	6.55	10.90
Security, commodity brokers and services	4.76	3.12	2.31	3.92	7.00	7.81	0.39	3.84	5.32
Security brokers, dealers, and flotation companies	2.51	1.68	2.32	4.14	8.72	9.16	0.35	2.77	1.22
Commodity contracts brokers and dealers, security and commodity exchanges, and allied services	73.34	27.13	24.03	11.18	1.32	1.81	3.15	16.95	24.70
Insurance	(*)	0.34	0.06	0.16	0.23	0.23	0.07	0.63	0.36
Life insurance	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Mutual insurance, except life or marine and certain fire or flood insurance companies	(*)	(*)	(*)	(*)	—	—	(*)	(*)	(*)
Other insurance companies	(*)	0.78	0.12	1.03	0.38	0.38	0.25	0.94	0.76
Insurance agents, brokers, and service	2.71	7.32	11.68	2.95	8.29	8.48	3.03	5.73	6.17
Real estate	13.29	7.40	13.47	3.60	9.87	9.42	1.38	2.06	1.95
Real estate operators and lessors of buildings	24.39	9.18	11.14	4.12	13.20	12.69	1.69	2.00	2.11
Lessors of mining, oil, and similar property	(*)	11.79	—	21.59	21.44	21.45	8.16	83.03	59.68
Lessors of railroad property, and of real property, not elsewhere classified	—	31.32	(*)	24.34	40.59	41.14	9.83	11.27	12.13
Condominium management and cooperative housing associations	—	86.65	(*)	23.59	(*)	(*)	6.69	7.05	8.72
Subdividers and developers	(*)	6.91	6.98	3.82	13.06	13.33	1.94	3.34	3.89
Other real estate	2.70	13.35	18.26	7.80	17.46	18.10	2.94	4.81	4.95
Holding and other investment companies, except bank holding companies	1.91	20.87	45.54	5.19	1.65	1.75	0.52	3.03	3.90
Regulated investment companies	—	(*)	—	50.40	0.38	0.34	0.29	20.08	25.32
Real estate investment trusts	—	(*)	—	(*)	0.35	(*)	0.66	0.70	0.89
Small business investment companies	—	(*)	(*)	10.08	12.82	12.82	11.92	40.24	30.52
Other holding and investment companies, except bank holding companies	1.91	20.90	45.54	5.27	9.21	9.53	1.74	5.62	5.51
<b>Services</b>	<b>1.81</b>	<b>1.95</b>	<b>2.49</b>	<b>1.81</b>	<b>5.10</b>	<b>5.35</b>	<b>0.90</b>	<b>1.34</b>	<b>1.42</b>
Hotels and other lodging places	(*)	5.95	9.40	2.72	20.06	21.47	3.23	3.96	4.27
Personal services	(*)	8.21	12.43	7.41	18.89	19.23	4.57	5.48	5.55
Business services	2.84	4.09	5.63	3.41	7.21	7.67	1.64	2.61	2.65
Advertising	(*)	10.70	15.82	5.61	15.81	16.27	4.74	7.69	7.56
Business services, except advertising	5.17	4.39	5.97	4.04	8.01	8.56	1.76	2.74	2.77
Auto repair, miscellaneous repair services	51.32	6.43	7.94	8.90	14.36	15.00	2.80	3.10	3.55
Auto repair and services	53.52	6.86	8.22	9.29	12.91	13.47	2.96	3.24	3.68
Miscellaneous repair services	(*)	18.49	27.94	18.91	40.54	42.74	8.64	9.76	10.73
Amusement and recreation services	0.65	2.90	2.75	3.74	10.17	10.33	1.80	3.96	2.63
Motion picture production, distribution, and services	0.61	2.88	3.05	5.34	0.81	0.65	1.66	13.71	2.89
Motion picture theaters	3.68	6.79	7.21	12.45	19.71	19.95	6.95	9.89	9.75
Amusement and recreation services, except motion pictures	3.37	9.18	8.81	5.05	19.42	19.65	3.28	4.34	5.03
Other services	8.67	4.44	6.39	4.27	10.25	10.64	2.01	2.60	2.97
Offices of physicians, including osteopathic physicians	—	11.26	17.43	12.38	44.77	50.80	6.29	7.25	7.78
Offices of dentists	—	18.55	38.58	23.51	51.39	58.45	11.24	11.98	12.05
Offices of other health practitioners	—	47.38	99.85	64.56	98.98	98.98	29.00	31.20	30.24
Nursing and personal care facilities	—	17.58	25.05	13.23	27.64	28.70	5.45	6.32	6.85
Hospitals	(*)	4.40	4.59	3.25	11.55	0.39	2.30	2.97	2.47
Medical laboratories	(*)	32.42	62.54	27.09	(*)	(*)	14.06	18.90	19.19
Other medical services	(*)	23.92	36.26	12.87	27.26	27.61	8.94	12.29	14.35
Legal services	—	19.87	41.28	28.22	37.72	37.74	11.76	13.91	14.90
Educational services	12.00	19.60	34.81	19.02	51.79	54.27	9.98	12.83	14.05
Social services	—	61.34	73.52	74.71	75.24	75.24	24.41	26.26	32.96
Membership organizations	—	15.67	23.53	23.88	—	—	12.62	19.31	17.94
Architectural and engineering services	18.44	10.25	16.16	9.31	12.78	13.13	5.50	7.35	8.75
Accounting, auditing, and bookkeeping services	(*)	21.33	56.95	33.32	42.86	42.87	16.12	18.08	16.45
Miscellaneous services (including veterinarians), not elsewhere classified	8.57	15.62	30.49	15.05	27.97	29.96	5.76	8.77	9.39
<b>Nature of business not allocable</b>	<b>—</b>	<b>41.71</b>	<b>69.92</b>	<b>39.87</b>	<b>55.06</b>	<b>55.06</b>	<b>18.33</b>	<b>46.48</b>	<b>29.67</b>

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

\*\*Data deleted to avoid disclosure of information for specific corporations. Deleted data are included in the appropriate totals.

\*Credits include foreign tax, U.S. possessions tax, investment, work incentive (WIN), and jobs credits.

\*Less than \$500 per return.

\*Coefficient of variation is less than .005 but greater than zero.

\*Estimate is based on returns sampled at a 100 percent rate and coefficient of variation is zero.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 2.2 — Balance Sheets and Income Statements, by Major Industry

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	All industries	Agriculture, forestry, and fishing	Major industry				
			Mining				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns, total.....</b>	<b>2,556,794</b>	<b>83,489</b>	<b>23,919</b>	<b>1,039</b>	<b>4,014</b>	<b>15,485</b>	<b>3,381</b>
<b>Total assets.....</b>	<b>6,835,056,963</b>	<b>37,976,331</b>	<b>115,128,696</b>	<b>12,512,871</b>	<b>14,749,466</b>	<b>79,013,969</b>	<b>8,852,392</b>
Cash .....	461,750,680	2,254,593	3,994,197	228,211	555,792	2,652,105	558,088
Notes and accounts receivable .....	1,614,195,947	3,222,897	25,202,231	1,063,197	1,895,183	20,886,467	1,351,384
Less: Allowance for bad debts .....	42,800,472	42,398	105,704	4,544	28,017	55,089	18,053
Inventories .....	503,033,064	4,309,825	5,134,691	928,399	753,574	2,587,902	864,817
Investments in Government obligations .....							
United States .....	224,260,009	180,788	332,407	23,899	170,246	108,109	30,153
State and local .....	196,705,649	35,544	57,686	2,309	24,813	27,675	*2,889
Other current assets .....	259,684,140	1,226,561	6,178,048	1,534,388	1,012,885	3,399,391	231,383
Loans to stockholders .....	25,429,489	630,997	1,601,080	*69,304	108,185	1,337,281	86,311
Mortgage and real estate loans .....	840,876,064	510,660	269,194	11,244	10,305	22,731	26,914
Other investments .....	1,027,900,380	3,029,821	23,583,145	3,342,842	2,424,097	16,925,326	890,879
Depreciable assets .....	1,896,559,882	21,739,493	54,233,992	5,752,175	8,674,893	32,567,244	7,239,680
Less: Accumulated depreciation .....	697,645,652	9,609,688	20,068,162	2,278,635	3,627,796	10,806,609	3,355,122
Depletable assets .....	57,655,398	228,919	10,963,135	566,518	1,417,232	8,467,944	491,441
Less: Accumulated depletion .....	16,005,905	32,022	3,083,924	257,801	151,354	2,581,268	93,502
Land .....	85,080,153	8,774,116	1,408,674	100,673	396,461	531,996	379,544
Intangible assets (amortizable) .....	37,394,782	74,033	2,214,071	91,333	50,772	2,047,448	24,518
Less: Accumulated amortization .....	15,126,876	19,487	825,729	31,488	9,685	775,015	9,541
Other assets .....	176,110,231	1,461,679	4,039,663	1,364,846	1,071,881	1,452,330	150,606
<b>Total liabilities .....</b>	<b>6,835,056,963</b>	<b>37,976,331</b>	<b>115,128,696</b>	<b>12,512,871</b>	<b>14,749,466</b>	<b>79,013,969</b>	<b>8,852,392</b>
Accounts payable .....	481,133,527	1,979,349	10,456,264	681,884	1,437,263	7,531,995	805,122
Mortgages, notes, and bonds payable in less than one year .....	452,161,682	6,876,873	5,236,127	455,472	1,113,663	3,116,462	550,530
Other current liabilities .....	2,582,916,809	1,894,499	19,241,956	905,934	1,445,327	16,340,994	549,701
Loans from stockholders .....	67,343,182	2,222,783	1,774,208	139,913	408,283	1,037,768	188,243
Mortgages, notes, and bonds payable in one year or more .....	884,636,968	11,632,659	21,932,654	2,228,346	3,366,470	14,462,115	1,875,722
Other liabilities .....	651,059,724	1,375,623	5,364,136	712,105	1,354,263	2,862,419	435,349
Capital stock .....	352,811,534	6,148,452	4,533,605	597,551	625,147	2,613,348	697,560
Paid-in or capital surplus .....	447,596,758	2,740,976	15,765,536	2,076,767	1,964,851	11,386,279	337,639
Retained earnings, appropriated .....	48,745,435	228,433	4,450,815	*7,680	184,054	4,186,029	73,051
Retained earnings, unappropriated .....	910,521,567	3,264,592	27,034,223	4,731,305	2,966,572	15,760,497	3,575,848
Less: Cost of treasury stock .....	43,890,224	387,909	660,826	24,087	116,428	283,938	236,373
<b>Total receipts .....</b>	<b>5,598,689,129</b>	<b>53,345,996</b>	<b>132,542,644</b>	<b>6,923,247</b>	<b>14,550,449</b>	<b>102,276,994</b>	<b>8,791,953</b>
Business receipts .....	5,136,075,461	50,590,436	127,454,324	6,443,411	13,879,991	98,676,714	8,454,208
Interest on Government obligations .....							
United States .....	19,508,285	13,131	44,446	11,602	15,651	13,671	3,522
State and local .....	10,872,462	1,680	21,709	292	3,130	17,075	1,213
Other interest .....	258,924,285	340,688	891,197	104,861	132,309	580,775	73,251
Rents .....	31,864,870	258,255	206,749	6,437	69,378	91,176	39,759
Royalties .....	8,437,908	82,144	350,872	11,119	21,164	305,314	13,255
Net short-term capital gain reduced by net long-term capital loss .....	1,207,729	30,980	17,971	*760	501	16,565	145
Net long-term capital gain reduced by net short-term capital loss .....	19,558,447	576,962	822,770	101,422	156,352	504,821	60,175
Net gain, noncapital assets .....	15,378,796	208,313	500,050	19,686	38,559	413,774	28,030
Dividends received from domestic corporations .....	16,824,708	30,389	181,051	28,985	23,404	123,234	5,427
Dividends received from foreign corporations .....	12,713,087	12,283	205,955	114,495	496	89,325	1,639
Other receipts .....	66,923,091	1,194,734	1,845,550	80,177	209,494	1,444,549	111,330
<b>Total deductions .....</b>	<b>5,315,725,012</b>	<b>52,050,724</b>	<b>89,613,288</b>	<b>6,602,994</b>	<b>14,626,574</b>	<b>60,184,093</b>	<b>8,199,628</b>
Cost of sales and operations .....	3,709,672,825	37,795,256	60,225,465	4,293,916	9,923,138	40,719,019	5,289,391
Compensation of officers .....	97,221,581	1,280,895	913,042	24,778	148,839	573,197	166,228
Repairs .....	38,712,313	989,316	904,651	35,671	342,915	307,433	218,631
Bad debts .....	17,432,363	72,208	127,485	2,342	43,759	66,570	14,814
Rent paid on business property .....	63,517,369	1,087,648	568,219	43,690	124,046	324,349	76,134
Taxes paid .....	127,751,719	1,072,612	2,349,166	297,167	710,640	1,085,835	255,524
Interest paid .....	261,277,331	1,670,591	2,759,171	288,137	478,791	1,760,212	232,031
Contributions or gifts .....	2,288,334	14,696	42,869	5,562	4,084	27,339	5,884
Amortization .....	1,408,016	4,128	26,081	2,909	3,085	19,156	931
Depreciation .....	138,061,915	1,983,571	4,077,060	382,660	682,463	2,285,715	526,222
Depletion .....	7,817,359	11,411	1,663,901	323,712	353,178	685,523	301,488
Advertising .....	46,321,658	171,271	92,384	1,943	6,021	58,565	25,855
Pension, profit-sharing, stock bonus, and annuity plans .....	46,506,098	148,173	518,579	105,707	101,415	254,596	56,862
Employee benefit programs .....	33,620,835	129,344	464,616	55,035	217,617	112,186	79,777
Net loss, noncapital assets .....	4,072,020	18,650	83,715	65,166	9,585	8,275	688
Other deductions .....	720,043,275	5,600,954	14,796,885	674,598	1,276,999	11,896,122	949,167
<b>Total receipts less total deductions .....</b>	<b>282,964,117</b>	<b>1,295,272</b>	<b>42,929,359</b>	<b>320,254</b>	<b>-76,126</b>	<b>42,092,902</b>	<b>592,325</b>
Constructive taxable income from related foreign corporations .....	12,524,077	6,383	150,953	64,121	51	84,201	*2,579
<b>Net income (less deficit) .....</b>	<b>284,615,731</b>	<b>1,299,975</b>	<b>43,058,598</b>	<b>384,083</b>	<b>-79,204</b>	<b>42,160,028</b>	<b>593,692</b>
Net income .....	321,649,761	2,598,762	44,889,763	532,090	488,421	43,205,237	664,014
Deficit .....	37,034,030	1,298,787	1,831,165	148,007	567,627	1,045,209	70,322
<b>Income subject to tax .....</b>	<b>279,376,063</b>	<b>1,675,005</b>	<b>44,043,753</b>	<b>410,249</b>	<b>318,263</b>	<b>42,728,525</b>	<b>586,715</b>
Income tax, total .....	120,047,034	530,849	20,210,019	197,154	165,686	19,575,606	271,572
Normal tax, surtax, and alternative tax .....	118,860,300	518,736	20,089,901	173,610	134,979	19,535,474	245,837
Tax from recomputing prior-year investment credit .....	744,915	10,897	21,108	317	4,716	14,175	1,899
Tax from recomputing prior-year work incentive (WIN) credit .....	9,171	*5	*32	—	2	*4	*25
Additional tax for tax preferences .....	432,649	1,212	98,979	23,227	25,988	25,953	23,811
Foreign tax credit .....	36,827,331	14,223	18,718,612	87,462	726	18,591,431	38,993
U.S. possessions tax credit .....	1,376,124	—	872	—	—	872	—
Investment credit .....	14,634,672	121,407	270,126	20,748	30,656	161,321	57,402
Work incentive (WIN) credit .....	27,934	53	84	71	3	6	3
Jobs credit .....	1,293,215	19,098	14,744	*96	*783	12,025	1,840
<b>Distributions to stockholders .....</b>							
Cash and property except in own stock .....	86,613,794	349,294	3,239,424	242,483	319,442	2,547,776	129,723
Corporation's own stock .....	3,132,795	2,497	150,432	3,337	—	140,648	*6,446

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 2.2 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued								
	Construction				Manufacturing				
	Total	General building contractors and operative builders	Heavy construction contractors	Special trade contractors	Total	Food and kindred products	Tobacco manufactures	Textile mill products	Apparel and other textile products
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Number of returns, total.....	249,887	107,168	16,384	126,335	236,564	15,134	103	5,497	16,013
Total assets.....	123,261,127	61,935,884	27,494,211	33,831,032	1,528,575,203	113,495,784	26,629,847	22,169,569	19,388,659
Cash.....	11,275,366	4,973,286	2,603,979	3,698,101	47,667,575	4,356,390	431,054	826,903	1,117,608
Notes and accounts receivable.....	34,523,321	14,200,133	7,593,568	12,729,620	364,017,629	22,005,067	4,503,368	5,741,256	5,648,859
Less: Allowance for bad debts.....	280,120	75,633	53,883	150,605	6,423,003	410,576	40,336	106,750	119,240
Inventories.....	21,078,815	14,373,377	1,795,870	4,909,569	256,278,072	22,848,713	5,724,420	5,869,770	6,887,548
Investments in Government obligations.....									
United States.....	557,320	184,998	269,742	102,580	9,879,661	462,453	3,195	161,390	108,232
State and local.....	337,722	161,819	146,896	28,907	2,370,701	324,674	18	43,640	90,118
Other current assets.....	14,471,595	9,369,294	2,397,517	2,704,784	69,134,829	4,016,823	527,061	730,051	812,606
Loans to stockholders.....	1,699,093	825,902	206,601	666,590	4,120,054	584,145	50,653	54,686	145,355
Mortgage and real estate loans.....	1,510,769	1,331,653	108,912	70,205	3,161,500	727,808	11,935	18,495	28,403
Other investments.....	7,653,804	3,768,282	2,769,634	1,115,888	264,906,810	18,337,172	7,972,734	1,462,703	1,744,892
Depreciable assets.....	43,468,036	12,962,146	17,721,316	12,784,574	742,167,734	57,425,599	7,751,281	15,307,010	4,731,118
Less: Accumulated depreciation.....	20,989,687	5,117,562	9,474,081	6,399,044	337,237,321	24,618,674	2,115,763	8,457,990	2,326,547
Depletable assets.....	316,296	166,762	110,642	38,892	40,060,544	387,915	261,752	*6,260	*2,021
Less: Accumulated depletion.....	87,085	35,302	32,072	19,711	11,127,480	118,777	—	*388	10
Land.....	4,283,092	2,911,875	670,105	701,112	18,552,625	1,991,343	244,235	171,872	133,698
Intangible assets (amortizable).....	365,089	219,432	43,734	95,923	21,865,930	833,888	293,684	40,726	45,822
Less: Accumulated amortization.....	91,317	44,250	16,155	30,911	9,769,110	151,635	38,261	20,434	16,681
Other assets.....	3,169,019	1,759,572	625,888	783,559	48,948,452	4,493,453	1,048,999	320,370	354,857
Total liabilities.....	123,261,127	61,935,884	27,494,211	33,831,032	1,528,575,203	113,495,784	26,629,847	22,169,569	19,388,659
Accounts payable.....	26,098,854	13,467,419	4,928,043	7,703,391	203,944,261	14,459,308	2,025,458	2,905,286	3,606,671
Mortgages, notes, and bonds payable in less than one year.....	17,307,544	11,505,973	2,535,399	3,266,172	119,509,212	9,086,691	2,105,047	1,693,645	2,340,123
Other current liabilities.....	19,043,010	9,575,977	4,087,334	5,379,498	162,542,923	12,227,950	2,461,211	2,026,168	2,077,822
Loans from stockholders.....	3,520,194	1,903,736	378,342	1,238,116	15,450,057	1,240,027	481,941	217,179	455,902
Mortgages, notes, and bonds payable in one year or more.....	19,032,360	10,858,538	4,262,822	3,911,000	267,817,415	20,632,102	5,435,225	3,719,877	2,251,575
Other liabilities.....	8,819,978	4,865,417	1,952,245	2,002,517	83,910,800	3,783,494	1,750,455	326,217	377,092
Capital stock.....	5,674,266	2,015,743	1,624,221	2,034,301	89,506,305	7,469,181	1,773,387	1,491,639	1,373,416
Paid-in or capital surplus.....	3,761,027	1,847,610	1,191,057	722,361	153,726,150	10,037,426	3,231,469	1,554,679	1,352,956
Retained earnings, appropriated.....	292,694	130,638	80,257	81,799	12,187,587	760,660	514,204	58,402	32,612
Retained earnings, unappropriated.....	21,396,275	6,435,623	6,900,448	8,060,204	432,296,024	34,773,481	7,136,999	8,494,071	5,797,690
Less: Cost of treasury stock.....	1,685,074	670,791	446,157	568,127	12,315,531	974,535	285,549	317,594	277,201
Total receipts.....	252,852,706	109,008,855	53,716,685	90,127,165	2,152,660,164	239,432,739	23,672,111	41,924,359	42,248,265
Business receipts.....	246,890,363	105,955,605	51,812,773	89,121,986	2,072,665,265	234,348,639	22,791,759	41,318,210	41,529,835
Interest on Government obligations.....									
United States.....	65,476	29,914	25,761	9,801	1,119,401	88,304	3,414	26,952	8,100
State and local.....	33,867	11,881	9,257	12,729	490,325	116,538	66	1,985	4,910
Other interest.....	1,278,273	683,856	387,462	206,955	19,712,298	1,133,882	303,463	127,764	156,687
Rents.....	893,270	538,713	233,189	121,368	7,136,151	368,345	48,847	35,315	52,535
Royalties.....	17,047	3,135	8,869	5,043	6,079,145	372,838	90,682	40,786	86,635
Net short-term capital gain reduced by net long-term capital loss.....	35,008	25,534	5,210	4,264	208,229	22,683	10,826	2,018	2,648
Net long-term capital gain reduced by net short-term capital loss.....	504,774	302,255	118,073	84,447	9,422,487	373,629	52,108	23,568	44,836
Net gain, noncapital assets.....	606,506	247,891	264,777	93,838	2,320,987	247,340	52,458	30,242	20,177
Dividends received from domestic corporations.....	96,158	22,745	51,253	22,160	7,069,605	285,602	188,082	69,071	20,952
Dividends received from foreign corporations.....	212,301	26,345	176,190	*9,766	11,161,924	632,166	51,392	20,587	75,011
Other receipts.....	2,219,662	1,160,981	623,871	434,809	15,274,346	1,442,773	79,013	227,863	245,938
Total deductions.....	246,990,676	107,077,927	52,079,224	87,833,525	2,032,131,078	231,448,170	21,479,322	40,435,921	40,743,581
Cost of sales and operations.....	199,975,173	91,369,283	41,998,246	66,607,644	1,522,576,016	180,113,251	13,216,256	32,237,471	30,984,570
Compensation of officers.....	8,463,112	2,919,812	1,121,925	4,421,375	17,567,140	1,308,646	57,847	486,778	964,224
Repairs.....	1,397,436	308,150	596,365	492,920	24,222,765	1,856,446	197,446	337,508	99,162
Bad debts.....	426,434	107,568	81,894	236,972	3,924,613	284,969	29,749	113,248	102,660
Rent paid on business property.....	1,471,502	389,958	384,556	696,988	16,188,843	1,697,720	135,798	310,655	463,478
Taxes paid.....	5,313,422	1,456,119	1,091,077	2,676,226	53,679,630	5,518,889	2,077,590	996,492	1,053,884
Interest paid.....	3,483,176	1,838,946	856,921	787,309	41,439,802	3,370,609	846,330	688,101	722,299
Contributions or gifts.....	76,503	33,923	17,413	25,167	1,177,036	95,729	18,985	23,413	28,009
Amortization.....	30,700	22,502	4,382	3,816	483,040	31,453	3,648	3,655	3,762
Depreciation.....	4,552,673	1,259,585	1,758,462	1,534,626	56,132,695	4,568,370	499,682	1,146,068	406,235
Depletion.....	56,684	13,539	34,677	8,469	5,471,388	33,648	38,276	*3,080	*425
Advertising.....	603,755	270,149	47,939	285,667	22,293,062	5,912,198	1,221,151	198,106	349,630
Pension, profit-sharing, stock bonus, and annuity plans.....	1,194,796	381,228	307,065	506,503	22,899,152	1,403,228	241,542	264,608	224,399
Employee benefit programs.....	1,249,503	272,785	288,354	688,363	19,484,547	1,287,023	179,210	232,308	240,987
Net loss, noncapital assets.....	67,329	27,357	21,728	18,243	754,009	31,130	255	25,223	17,961
Other deductions.....	18,628,480	6,317,022	3,468,220	8,843,237	223,837,341	23,934,461	2,715,558	3,369,207	5,081,895
Total receipts less total deductions.....	5,862,029	1,930,928	1,637,462	2,293,640	120,529,086	7,984,569	2,192,789	1,488,438	1,504,685
Constructive taxable income from related foreign corporations.....	157,227	31,823	122,082	3,322	10,331,725	478,290	76,799	14,395	51,457
Net income (less deficit).....	5,985,390	1,950,870	1,750,287	2,284,233	130,370,486	8,346,322	2,269,522	1,500,849	1,551,232
Net income.....	8,903,932	3,257,917	2,268,838	3,377,177	139,688,642	9,099,097	2,283,141	1,873,936	1,903,712
Deficit.....	2,918,542	1,307,047	518,551	1,092,944	9,318,156	752,775	13,619	373,087	352,480
Income subject to tax.....	7,250,471	2,580,269	1,993,508	2,676,694	133,051,625	8,778,410	2,129,736	1,785,115	1,762,577
Income tax, total.....	2,545,393	908,418	820,555	816,420	58,976,752	3,955,792	974,173	800,571	749,317
Normal tax, surtax, and alternative tax.....	2,509,913	898,798	804,925	806,190	58,474,675	3,923,031	970,732	796,999	746,581
Tax from recomputing prior-year investment credit.....	29,814	7,131	13,708	8,975	335,371	28,884	3,440	3,405	2,680
Tax from recomputing prior-year work incentive (WIN) credit.....	*78	*75	1	*1	401	363	—	—	—
Additional tax for tax preferences.....	5,589	2,415	1,921	1,253	166,305	3,513	—	167	*57
Foreign tax credit.....	169,840	30,488	137,066	2,286	15,286,370	628,397	63,752	20,996	53,417
U.S. possessions tax credit.....	1,132	1,054	—	78	1,252,346	96,100	11,660	4,531	30,191
Investment credit.....	366,108	88,136	163,949	114,023	7,120,231	457,443	76,002	107,648	32,030
Work incentive (WIN) credit.....	998	49	389	560	16,083	750	17	870	977
Jobs credit.....	209,127	63,736	34,307	111,084	402,790	21,441	*127	11,310	31,856
Distributions to stockholders.....									
Cash and property except in own stock.....	681,853	282,083	198,933	200,837	38,121,235	2,413,055	699,504	451,715	217,104
Corporation's own stock.....	33,398	13,156	*7,617	12,625	1,094,894	74,168	—	*31,815	17,792

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 2.2 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued								
	Manufacturing — Continued								
	Lumber and wood products	Furniture and fixtures	Paper and allied products	Printing and publishing	Chemicals and allied products	Petroleum (including integrated) and coal products	Rubber and miscellaneous plastics products	Leather and leather products	Stone, clay, and glass products
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
<b>Number of returns, total</b> .....	<b>13,182</b>	<b>7,221</b>	<b>3,347</b>	<b>37,580</b>	<b>10,477</b>	<b>1,137</b>	<b>9,488</b>	<b>2,894</b>	<b>8,526</b>
<b>Total assets</b> .....	<b>39,301,038</b>	<b>9,576,800</b>	<b>40,343,460</b>	<b>43,962,638</b>	<b>141,777,451</b>	<b>320,532,960</b>	<b>27,439,446</b>	<b>6,726,550</b>	<b>34,238,070</b>
Cash.....	1,407,989	508,988	1,094,457	2,364,483	3,433,039	6,780,401	865,717	412,457	1,153,091
Notes and accounts receivable.....	5,220,821	2,539,165	6,432,339	9,838,456	27,290,215	60,430,042	6,973,842	1,845,359	6,371,420
Less: Allowance for bad debts.....	131,570	58,473	140,324	607,522	569,506	582,319	129,662	46,256	170,903
Inventories.....	6,210,694	2,838,665	5,528,676	4,770,221	22,713,519	20,402,122	5,660,779	2,217,526	4,873,202
Investments in Government obligations.....									
United States.....	136,225	41,784	285,505	505,624	489,753	1,603,609	70,610	28,617	257,559
State and local.....	11,566	67,368	57,520	249,660	203,561	9,602	*73,778	10,692	25,749
Other current assets.....	1,360,426	311,390	1,608,807	3,062,645	4,907,475	12,338,828	568,516	221,544	1,366,502
Loans to stockholders.....	102,982	24,299	149,017	310,036	800,258	244,898	135,762	22,566	78,943
Mortgage and real estate loans.....	1,164,161	16,594	41,341	157,039	33,562	112,858	60,096	567	38,613
Other investments.....	4,477,978	634,866	5,761,960	6,069,065	28,838,414	91,070,403	3,551,167	886,712	4,437,896
Depreciable assets.....	24,326,623	4,270,034	29,140,393	20,493,645	83,799,223	149,821,990	16,558,512	1,755,913	25,386,482
Less: Accumulated depreciation.....	10,184,596	2,000,511	13,375,677	8,873,439	38,464,339	61,403,802	7,888,147	852,626	11,556,952
Depletable assets.....	3,300,213	*7,160	1,945,318	279,443	1,836,276	29,533,957	*12,254	—	485,818
Less: Accumulated depletion.....	141,652	185	296,958	*15,237	550,512	9,376,027	*2,162	—	110,311
Land.....	543,055	154,918	1,343,325	786,493	1,574,774	4,648,738	254,573	46,612	719,703
Intangible assets (amortizable).....	69,019	41,645	185,975	1,244,046	1,328,281	13,948,281	64,279	56,375	115,284
Less: Accumulated amortization.....	16,876	12,117	48,301	220,362	303,695	7,849,257	25,167	13,991	29,075
Other assets.....	1,443,980	191,210	630,089	3,648,343	4,417,152	8,798,808	634,701	134,481	795,050
<b>Total liabilities</b> .....	<b>39,301,038</b>	<b>9,576,800</b>	<b>40,343,460</b>	<b>43,962,638</b>	<b>141,777,451</b>	<b>320,532,960</b>	<b>27,439,446</b>	<b>6,726,550</b>	<b>34,238,070</b>
Accounts payable.....	3,216,360	1,338,059	3,611,267	4,337,336	16,519,405	51,990,175	3,828,005	1,171,774	3,613,509
Mortgages, notes, and bonds payable in less than one year.....	3,285,843	775,806	1,585,690	2,918,893	6,328,307	12,699,665	1,618,905	823,175	1,708,753
Other current liabilities.....	3,517,290	936,218	4,193,742	5,412,314	16,180,888	23,976,129	3,064,795	556,240	3,378,895
Loans from stockholders.....	463,779	153,497	117,183	759,884	1,358,515	321,120	420,547	106,727	345,968
Mortgages, notes, and bonds payable in one year or more.....	8,604,394	1,378,835	8,168,680	7,381,971	27,617,740	48,472,796	5,615,141	1,004,989	7,339,931
Other liabilities.....	1,345,388	197,095	1,000,976	2,371,629	3,596,910	34,113,996	1,113,170	92,587	797,368
Capital stock.....	2,509,684	816,988	2,926,531	2,457,013	8,796,256	16,689,148	1,249,052	774,261	2,300,444
Paid-in or capital surplus.....	3,998,065	691,561	4,570,443	3,269,248	17,818,787	41,536,544	2,521,690	545,953	2,861,859
Retained earnings, appropriated.....	111,622	29,788	64,618	212,291	288,564	854,689	181,577	53,545	304,525
Retained earnings, unappropriated.....	12,743,573	3,455,228	14,428,220	15,699,200	44,550,844	91,593,429	8,135,516	1,758,497	11,907,411
Less: Cost of treasury stock.....	494,960	196,274	323,890	857,141	1,278,765	1,714,731	308,952	161,198	320,593
<b>Total receipts</b> .....	<b>55,392,211</b>	<b>19,995,655</b>	<b>55,486,806</b>	<b>62,616,240</b>	<b>173,067,985</b>	<b>464,251,893</b>	<b>44,370,747</b>	<b>13,436,390</b>	<b>47,114,876</b>
Business receipts.....	51,809,836	19,655,110	52,108,930	60,475,168	166,170,335	448,935,591	43,330,721	13,189,932	45,667,873
Interest on Government obligations.....									
United States.....	18,794	8,159	25,054	43,935	52,031	228,271	17,580	4,064	17,600
State and local.....	1,167	3,294	5,048	11,985	13,169	26,884	6,061	*514	893
Other interest.....	449,743	66,199	369,901	419,519	1,441,818	3,841,452	181,881	73,664	265,423
Rents.....	89,893	16,196	72,340	158,891	293,620	1,208,258	58,752	12,226	84,811
Royalties.....	24,928	14,159	204,717	161,309	969,504	369,289	75,527	5,156	117,897
Net short-term capital gain reduced by net long-term capital loss.....	*490	*85	1,396	1,288	8,534	51,195	516	13	13,399
Net long-term capital gain reduced by net short-term capital loss.....	2,325,368	27,398	1,774,946	341,426	602,739	1,523,955	97,925	17,819	279,517
Net gain, noncapital assets.....	148,641	18,549	178,073	74,820	229,013	221,475	88,900	5,046	85,689
Dividends received from domestic corporations.....	71,260	6,767	146,359	121,939	804,474	1,653,080	53,938	38,735	108,514
Dividends received from foreign corporations.....	85,555	11,734	317,038	176,219	1,096,464	2,900,716	156,728	*23,297	146,533
Other receipts.....	366,536	168,005	283,003	629,740	1,446,284	3,291,727	302,217	65,925	326,726
<b>Total deductions</b> .....	<b>52,229,461</b>	<b>19,177,871</b>	<b>51,047,342</b>	<b>57,617,929</b>	<b>161,111,657</b>	<b>433,980,636</b>	<b>42,815,976</b>	<b>12,847,921</b>	<b>44,345,974</b>
Cost of sales and operations.....	39,181,348	14,181,932	36,508,077	37,960,380	109,886,043	365,653,037	30,891,797	9,589,609	31,604,844
Compensation of officers.....	712,424	454,636	418,109	1,703,024	1,022,976	366,576	687,296	168,308	637,523
Repairs.....	612,876	82,676	1,289,001	388,598	2,607,533	4,173,181	637,309	44,017	1,023,625
Bad debts.....	91,753	60,146	95,450	367,347	263,937	350,985	95,088	31,529	114,888
Rent paid on business property.....	419,071	217,136	434,109	793,159	1,430,707	2,656,728	475,109	259,906	416,475
Taxes paid.....	1,307,477	499,347	1,308,656	1,877,178	3,108,628	12,097,602	1,131,921	318,813	1,257,048
Interest paid.....	1,095,172	284,859	869,988	924,893	3,474,484	5,461,826	818,333	245,484	936,478
Contributions or gifts.....	24,467	13,744	61,203	78,043	138,773	174,866	14,745	8,533	32,593
Amortization.....	16,123	2,143	9,536	53,863	41,100	68,302	6,908	905	7,592
Depreciation.....	1,854,199	324,948	2,066,515	1,776,145	6,203,830	8,580,340	1,180,957	147,612	1,908,644
Depletion.....	1,968,918	698	503,806	67,101	323,766	1,324,903	3,369	39	180,814
Advertising.....	182,663	215,612	437,731	603,862	4,545,770	1,050,500	412,857	168,045	231,096
Pension, profit-sharing, stock bonus, and annuity plans.....	362,756	125,308	634,347	725,159	2,294,087	2,123,591	490,231	59,820	555,936
Employee benefit programs.....	295,180	112,811	451,299	616,701	1,412,064	817,074	496,533	95,498	506,603
Net loss, noncapital assets.....	17,777	2,423	10,351	27,582	137,439	183,478	11,836	1,229	22,256
Other deductions.....	4,087,258	2,599,452	5,949,163	9,654,894	24,220,521	28,897,646	5,461,686	1,708,576	4,909,560
<b>Total receipts less total deductions</b> .....	<b>3,162,750</b>	<b>817,783</b>	<b>4,439,464</b>	<b>4,998,311</b>	<b>11,956,328</b>	<b>30,271,257</b>	<b>1,554,771</b>	<b>588,469</b>	<b>2,768,902</b>
Constructive taxable income from related foreign corporations.....	114,979	1,315	225,904	104,679	1,500,115	2,721,149	104,330	743	97,119
Net income (less deficit).....	3,276,562	815,804	4,660,320	5,091,005	13,443,274	32,965,522	1,653,040	588,698	2,865,128
Net income.....	3,596,233	1,023,106	4,753,704	5,552,735	13,976,789	33,170,394	1,915,445	673,768	3,044,238
Deficit.....	319,671	207,302	93,384	461,730	533,515	204,872	262,405	85,070	179,110
Income subject to tax.....	3,391,886	960,945	4,683,236	5,140,297	13,644,185	31,037,830	1,801,998	608,667	2,869,810
Income tax, total.....	1,152,532	408,544	1,855,351	2,202,091	6,203,093	14,050,563	765,461	267,070	1,244,227
Normal tax, surtax, and alternative tax.....	1,110,018	404,766	1,813,523	2,189,551	6,135,113	14,007,477	752,729	266,545	1,224,984
Tax from recomputing prior-year investment credit.....	8,170	3,695	18,357	11,106	44,250	33,410	12,059	526	9,910
Tax from recomputing prior-year work incentive (WIN) credit.....	*2	—	—	( <sup>1</sup> )	12	( <sup>1</sup> )	( <sup>1</sup> )	—	—
Additional tax for tax preferences.....	34,343	*83	23,471	1,435	23,718	9,676	672	—	9,334
Foreign tax credit.....	87,555	1,586	255,707	139,209	1,531,309	6,447,153	123,692	2,946	118,167
U.S. possessions tax credit.....	—	323	2,020	1,256	637,483	47,623	4,430	7,133	8,724
Investment credit.....	276,900	28,915	321,799	222,350	712,720	1,804,418	102,187	14,111	244,204
Work incentive (WIN) credit.....	142	349	313	1,218	404	127	310	148	643
Jobs credit.....	17,677	14,439	5,754	19,364	13,484	3,336	18,992	5,685	14,590
Distributions to stockholders.....									
Cash and property except in own stock.....	612,067	105,113	1,113,830	957,901	5,252,154	10,918,962	387,173	128,463	624,509
Corporation's own stock.....	24,108	17,563	111,074	14,224	54,288	55,001	24,151	*13,741	*20,585

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 2.2 — Balance Sheets and Income Statements, by Major Industry — Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Major industry — Continued							
	Manufacturing — Continued							
	Primary metal industries	Fabricated metal products	Machinery, except electrical	Electrical and electronic equipment	Motor vehicles and equipment	Transportation equipment except motor vehicles	Instruments and related products	Miscellaneous manufacturing and manufacturing not allocable
	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
<b>Number of returns, total</b> .....	<b>3,850</b>	<b>34,956</b>	<b>27,089</b>	<b>14,120</b>	<b>2,142</b>	<b>2,697</b>	<b>7,614</b>	<b>13,497</b>
<b>Total assets</b> .....	<b>117,444,731</b>	<b>68,991,194</b>	<b>143,520,701</b>	<b>126,600,158</b>	<b>129,289,567</b>	<b>48,991,719</b>	<b>27,947,489</b>	<b>20,207,373</b>
Cash .....	2,842,183	3,314,808	4,067,014	4,630,390	2,302,207	3,970,532	832,871	954,933
Notes and accounts receivable .....	25,139,907	16,585,329	37,721,130	35,154,425	63,744,721	8,539,816	7,073,311	5,218,780
Less: Allowance for bad debts .....	330,137	332,732	747,625	826,092	723,327	120,662	103,473	125,521
Inventories .....	18,546,623	16,865,254	33,763,789	25,097,077	19,156,670	13,946,283	7,020,848	5,335,853
Investments in Government obligations .....								
United States .....	212,010	239,877	1,279,240	782,025	2,465,258	42,130	659,902	44,663
State and local .....	309,348	42,460	175,182	116,536	343,453	307	*176,665	38,805
Other current assets .....	5,403,034	2,873,094	9,131,410	11,365,227	1,877,953	4,373,312	1,395,797	882,331
Loans to stockholders .....	115,465	253,483	381,690	317,597	190,957	24,484	56,122	76,656
Mortgage and real estate loans .....	139,903	85,024	126,327	139,806	169,695	37,134	42,592	9,640
Other investments .....	16,249,471	8,592,858	22,738,880	18,561,958	12,198,545	6,182,214	2,608,177	2,529,107
Depreciable assets .....	76,262,883	32,420,319	57,714,791	44,576,797	50,481,364	19,920,247	13,042,738	6,980,774
Less: Accumulated depreciation .....	36,497,744	14,797,775	27,301,086	20,363,867	27,113,492	9,962,904	6,012,462	2,968,929
Depletable assets .....	823,357	162,010	221,190	667,829	*49,256	*63,147	3,840	*11,526
Less: Accumulated depletion .....	278,580	10,733	25,928	178,511	*5,262	*15,221	705	321
Land .....	1,075,918	917,327	986,716	980,808	697,693	591,615	400,727	288,482
Intangible assets (amortizable) .....	799,284	346,656	790,733	751,829	146,427	122,312	307,286	333,909
Less: Accumulated amortization .....	240,695	84,936	255,903	215,034	24,438	29,664	108,893	63,695
Other assets .....	6,872,498	1,518,871	2,753,242	5,041,358	3,331,886	1,306,637	552,146	660,321
<b>Total liabilities</b> .....	<b>117,444,731</b>	<b>68,991,194</b>	<b>143,520,701</b>	<b>126,600,158</b>	<b>129,289,567</b>	<b>48,991,719</b>	<b>27,947,489</b>	<b>20,207,373</b>
Accounts payable .....	13,214,364	10,240,869	16,268,569	21,599,731	14,133,383	10,130,189	3,285,599	2,448,944
Mortgages, notes, and bonds payable in less than one year .....	11,649,058	4,807,350	10,325,181	9,854,931	29,969,605	2,604,341	1,459,780	1,868,421
Other current liabilities .....	12,138,090	7,873,351	18,965,279	16,486,648	11,683,057	9,493,942	3,575,437	2,317,459
Loans from stockholders .....	516,270	1,288,908	4,398,980	1,255,225	680,627	245,512	313,026	309,240
Mortgages, notes, and bonds payable in one year or more .....	24,689,328	11,282,955	24,366,388	18,716,887	27,106,376	6,800,177	3,503,521	3,728,528
Other liabilities .....	7,564,140	2,176,572	5,064,081	10,787,776	3,122,649	2,291,448	1,430,477	607,279
Capital stock .....	8,120,957	3,999,947	10,379,712	5,787,086	4,007,977	3,489,529	1,759,561	1,334,535
Paid-in or capital surplus .....	10,483,756	6,370,508	14,780,114	12,367,270	6,933,787	3,237,064	3,222,744	2,340,227
Retained earnings, appropriated .....	752,125	230,515	6,157,060	462,820	950,428	*10,678	128,855	28,010
Retained earnings, unappropriated .....	28,970,475	21,711,351	33,669,425	30,660,400	30,860,723	11,030,804	9,431,258	5,487,428
Less: Cost of treasury stock .....	653,831	991,131	854,089	1,378,616	159,046	341,965	162,770	262,699
<b>Total receipts</b> .....	<b>148,298,739</b>	<b>110,772,897</b>	<b>161,346,222</b>	<b>150,297,538</b>	<b>162,432,520</b>	<b>65,526,107</b>	<b>38,516,898</b>	<b>32,458,964</b>
Business receipts .....	144,306,708	108,171,188	149,191,859	143,675,004	154,991,598	62,504,982	36,867,546	31,624,439
Interest on Government obligations .....								
United States .....	33,572	28,524	129,524	75,569	253,516	6,647	45,252	4,536
State and local .....	14,210	4,624	44,953	181,291	42,288	1,337	7,810	1,298
Other interest .....	1,526,899	531,592	2,409,774	2,004,419	3,099,385	799,697	271,102	238,033
Rents .....	249,820	136,918	2,686,340	776,710	568,715	168,847	61,285	47,488
Royalties .....	107,369	125,687	2,186,316	626,492	177,802	92,010	177,025	53,016
Net short-term capital gain reduced by net long-term capital loss .....	37,069	4,824	13,183	27,230	1,251	1,122	1,387	7,074
Net long-term capital gain reduced by net short-term capital loss .....	477,817	263,479	420,562	393,357	105,647	179,222	40,251	56,920
Net gain, noncapital assets .....	193,187	118,018	227,162	142,568	87,427	62,150	43,450	46,601
Dividends received from domestic corporations .....	274,036	131,327	787,666	799,370	559,951	578,908	311,972	57,603
Dividends received from foreign corporations .....	357,299	338,245	1,854,477	622,037	1,706,537	179,392	332,196	78,299
Other receipts .....	720,755	918,469	1,394,405	973,493	838,404	951,792	357,620	243,659
<b>Total deductions</b> .....	<b>143,112,256</b>	<b>104,397,282</b>	<b>147,921,878</b>	<b>141,916,515</b>	<b>155,340,586</b>	<b>63,874,318</b>	<b>35,302,885</b>	<b>30,983,598</b>
Cost of sales and operations .....	111,903,909	77,809,268	96,318,977	97,419,531	115,910,195	46,844,255	22,231,774	22,129,492
Compensation of officers .....	639,644	2,533,317	2,177,008	1,331,976	362,265	364,024	477,310	693,227
Repairs .....	4,803,417	1,097,843	1,301,565	878,537	1,488,671	599,361	512,907	190,687
Bad debts .....	179,218	249,321	398,186	420,076	377,049	108,462	64,093	126,460
Rent paid on business property .....	710,547	920,904	1,518,455	1,358,167	870,130	456,853	351,407	292,331
Taxes paid .....	3,010,883	2,725,848	4,487,254	3,785,312	3,923,712	1,430,572	966,026	796,497
Interest paid .....	3,752,316	1,858,856	4,050,594	3,845,124	5,846,448	1,051,851	594,294	701,462
Contributions or gifts .....	63,371	64,397	114,897	76,973	42,079	55,944	31,553	14,719
Amortization .....	36,624	18,292	87,196	39,263	15,104	7,378	21,121	9,071
Depreciation .....	4,610,987	2,484,414	5,545,440	4,514,687	5,426,995	1,265,398	1,039,383	581,847
Depletion .....	823,321	21,991	34,892	105,511	4,462	29,189	*1,762	1,417
Advertising .....	368,216	745,733	1,102,690	1,776,987	1,139,693	274,063	795,904	560,554
Pension, profit-sharing, stock bonus, and annuity plans .....	2,587,493	1,204,442	2,498,670	2,068,749	2,741,103	1,460,108	615,101	218,475
Employee benefit programs .....	1,725,156	1,067,924	2,142,410	2,079,095	4,232,445	714,863	494,918	284,444
Net loss, noncapital assets .....	13,893	23,226	39,558	23,986	7,454	13,619	133,982	9,353
Other deductions .....	7,883,261	11,571,504	26,104,087	22,192,540	12,952,781	9,198,377	6,971,352	4,373,561
<b>Total receipts less total deductions</b> .....	<b>5,186,483</b>	<b>6,375,615</b>	<b>13,424,345</b>	<b>8,381,023</b>	<b>7,091,934</b>	<b>1,651,789</b>	<b>3,214,013</b>	<b>1,475,367</b>
Constructive taxable income from related foreign corporations .....	277,416	245,526	1,928,854	508,551	1,280,209	131,718	411,711	56,464
<b>Net income (less deficit)</b> .....	<b>5,449,689</b>	<b>6,616,517</b>	<b>15,308,245</b>	<b>8,708,283</b>	<b>8,329,856</b>	<b>1,782,170</b>	<b>3,617,914</b>	<b>1,530,532</b>
Net income .....	5,498,456	7,242,468	15,958,052	9,941,237	9,148,274	2,855,329	3,941,117	1,837,411
Deficit .....	448,767	625,951	649,807	1,232,954	818,418	1,073,159	323,203	306,879
<b>Income subject to tax</b> .....	<b>5,581,624</b>	<b>6,785,587</b>	<b>15,617,526</b>	<b>9,391,774</b>	<b>9,022,432</b>	<b>2,498,694</b>	<b>3,814,528</b>	<b>1,724,767</b>
<b>Income tax, total</b> .....	<b>2,522,280</b>	<b>2,879,082</b>	<b>7,012,176</b>	<b>4,201,613</b>	<b>4,139,387</b>	<b>1,120,186</b>	<b>1,728,369</b>	<b>744,872</b>
Normal tax, surtax, and alternative tax .....	2,459,293	2,858,547	6,958,426	4,169,617	4,118,338	1,108,290	1,721,675	737,841
Tax from recomputing prior-year investment credit .....	18,965	19,589	51,055	22,296	20,352	9,867	6,421	6,936
Tax from recomputing prior-year work incentive (WIN) credit .....	—	19	1	1	(1)	2	(1)	—
Additional tax for tax preferences .....	44,023	927	2,695	9,698	98	2,027	272	*96
Foreign tax credit .....	493,574	303,725	2,215,971	733,072	1,455,818	158,173	379,027	73,124
U.S. possessions tax credit .....	1,199	25,115	26,935	247,145	4,986	419	67,011	28,063
Investment credit .....	487,471	308,145	582,554	474,816	460,972	240,517	113,828	51,201
Work incentive (WIN) credit .....	1,009	1,330	1,019	1,775	2,388	937	511	848
Jobs credit .....	12,950	61,359	51,313	51,364	9,171	12,274	15,187	11,116
Distributions to stockholders .....								
Cash and property except in own stock .....	1,688,014	1,090,812	3,586,791	2,766,525	2,886,126	877,318	1,070,858	273,240
Corporation's own stock .....	44,226	75,332	97,564	176,058	38,192	139,512	*27,319	38,181

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 2.2 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued								
	Transportation and public utilities				Wholesale and retail trade				
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Wholesale trade			
	(34)	(35)	(36)	(37)	(38)	Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns, total.....	103,770	82,105	9,069	12,596	772,598	265,746	24,299	56,108	185,339
Total assets.....	674,479,897	159,824,985	180,387,458	334,267,454	573,306,508	306,083,310	26,039,399	53,257,989	226,785,922
Cash.....	9,487,437	5,736,790	1,393,952	2,356,695	33,606,354	17,486,787	1,727,790	3,110,305	12,648,692
Notes and accounts receivable.....	56,165,141	23,194,946	12,375,651	20,594,544	153,877,860	102,935,916	8,409,777	16,834,285	77,691,854
Less: Allowance for bad debts.....	829,924	297,036	259,154	273,734	3,796,024	1,683,580	149,177	300,587	1,233,817
Inventories.....	25,594,576	5,379,684	6,056,937	14,157,955	177,252,484	87,011,950	7,380,689	19,176,406	60,454,855
Investments in Government obligations.....									
United States.....	4,267,315	1,708,193	1,344,419	1,214,703	1,688,096	1,025,653	48,160	110,838	866,654
State and local.....	438,842	414,432	14,780	9,630	419,962	182,388	*6,154	10,821	165,412
Other current assets.....	24,317,824	8,383,248	3,500,228	12,434,349	20,588,834	11,432,004	1,183,895	1,378,980	8,869,129
Loans to stockholders.....	949,661	757,702	97,656	94,302	8,138,118	5,609,458	202,607	275,806	5,131,046
Mortgage and real estate loans.....	2,075,080	381,063	282,593	1,411,424	2,834,264	1,433,042	57,811	40,040	1,335,190
Other investments.....	54,661,668	20,564,992	15,798,643	18,298,033	47,708,331	31,456,388	1,391,218	4,151,059	25,914,111
Depreciable assets.....	635,045,371	127,014,662	172,441,028	335,589,681	169,822,837	63,864,946	8,268,031	10,696,351	44,900,564
Less: Accumulated depreciation.....	160,901,541	43,005,208	36,701,597	81,194,736	68,255,056	26,715,523	3,567,581	4,368,208	18,779,735
Depletable assets.....	3,804,091	446,699	*6,864	3,350,527	1,098,468	862,557	*2,649	63,732	796,176
Less: Accumulated depletion.....	1,056,391	105,039	1,094	950,258	308,475	224,972	752	26,172	198,047
Land.....	5,157,419	1,986,635	723,354	2,447,430	11,908,640	4,164,952	375,294	545,173	3,244,485
Intangible assets (amortizable).....	4,569,202	2,295,999	1,706,507	566,696	3,528,301	1,116,564	182,501	149,944	784,120
Less: Accumulated amortization.....	1,538,507	911,282	504,234	122,991	1,134,553	365,912	59,175	37,944	268,793
Other assets.....	12,272,635	5,878,506	2,110,923	4,283,066	14,328,066	6,490,692	579,508	1,447,160	4,464,024
Total liabilities.....	674,479,897	159,824,985	180,387,458	334,267,454	573,306,508	306,083,310	26,039,399	53,257,989	226,785,922
Accounts payable.....	37,305,349	14,725,883	6,008,898	16,570,568	120,866,491	75,009,004	7,606,961	9,902,022	57,500,021
Mortgages, notes, and bonds payable in less than one year.....	30,737,866	8,204,170	7,587,504	14,946,193	86,074,371	48,276,506	3,752,036	10,249,035	34,275,436
Other current liabilities.....	76,559,481	21,499,533	23,080,360	31,979,588	49,542,011	24,119,458	1,951,048	3,958,476	18,209,935
Loans from stockholders.....	3,036,512	1,978,188	596,478	461,846	17,773,130	8,001,764	719,949	1,392,627	5,889,188
Mortgages, notes, and bonds payable in one year or more.....	223,921,235	47,266,344	55,385,868	121,269,023	88,195,310	38,332,873	3,557,803	5,892,078	28,882,992
Other liabilities.....	38,776,647	10,193,131	9,291,684	19,291,833	14,281,866	5,163,407	642,977	948,689	3,571,741
Capital stock.....	98,895,875	12,034,719	21,290,164	65,570,992	36,116,859	17,816,660	1,447,289	2,698,285	13,673,086
Paid-in or capital surplus.....	64,215,753	16,629,548	22,566,019	25,020,186	25,274,988	12,603,912	980,909	1,836,981	9,786,023
Retained earnings, appropriated.....	1,590,878	542,461	206,282	842,134	2,310,277	1,458,343	169,034	166,796	1,122,513
Retained earnings, unappropriated.....	100,972,647	27,648,818	34,759,376	38,564,453	139,099,143	78,299,883	5,452,150	16,773,041	56,074,693
Less: Cost of treasury stock.....	1,532,346	897,810	385,174	249,362	6,227,937	3,000,500	240,755	560,039	2,199,706
Total receipts.....	445,978,021	181,339,436	91,883,942	172,754,644	1,752,708,933	970,684,572	143,610,763	111,028,686	716,045,622
Business receipts.....	432,328,292	173,907,668	89,903,885	168,516,739	1,713,929,230	956,130,361	142,283,783	108,067,237	705,779,342
Interest on Government obligations.....									
United States.....	267,560	124,195	40,111	103,254	201,679	130,512	8,866	13,199	108,447
State and local.....	22,043	16,126	2,440	3,477	107,431	25,007	1,084	2,653	21,270
Other interest.....	3,766,870	1,572,702	433,830	1,760,338	7,938,308	4,121,825	249,951	824,225	3,047,548
Rents.....	2,502,442	1,496,623	555,589	450,230	4,031,522	1,427,690	160,731	544,955	722,004
Royalties.....	240,151	123,591	65,636	50,924	372,360	184,480	15,473	38,577	130,429
Net short-term capital gain reduced by net long-term capital loss.....	96,958	18,262	75,412	3,285	79,879	60,808	5,013	10,052	45,742
Net long-term capital gain reduced by net short-term capital loss.....	1,276,564	894,896	192,387	189,281	1,613,257	829,875	38,989	115,649	675,237
Net gain, noncapital assets.....	1,039,131	812,872	79,606	146,653	1,012,390	532,128	39,826	129,720	362,583
Dividends received from domestic corporations.....	314,885	103,251	118,722	92,912	1,128,074	751,594	24,050	66,198	661,346
Dividends received from foreign corporations.....	153,920	76,486	35,227	42,207	367,448	240,949	4,439	11,828	224,682
Other receipts.....	3,969,204	2,192,764	381,096	1,395,344	21,927,356	6,249,342	778,057	1,204,392	4,266,893
Total deductions.....	427,793,660	176,926,763	84,744,197	166,122,700	1,713,706,759	946,077,911	142,323,038	105,161,109	698,593,763
Cost of sales and operations.....	282,924,553	123,957,325	41,754,198	117,213,030	1,364,156,032	815,073,933	125,679,408	81,331,512	608,063,013
Compensation of officers.....	329,332	2,313,403	455,034	524,895	26,014,896	13,060,366	1,358,568	2,661,738	9,040,061
Repairs.....	856,510	388,176	113,716	354,618	5,837,083	2,135,582	382,397	329,527	1,423,657
Bad debts.....	1,435,674	341,498	704,426	389,749	3,684,770	2,152,718	191,356	337,861	1,623,501
Rent paid on business property.....	8,121,215	6,177,942	1,238,501	704,772	21,018,083	4,893,819	173,383	800,319	3,380,117
Taxes paid.....	21,581,221	6,341,458	5,783,927	9,455,836	22,459,020	9,019,878	903,906	1,267,021	6,848,951
Interest paid.....	21,557,681	4,664,662	5,004,173	11,888,846	19,959,777	9,848,319	793,588	1,819,631	7,235,100
Contributions or gifts.....	188,554	43,777	87,067	57,710	367,081	175,974	14,285	30,586	131,103
Amortization.....	276,439	72,092	39,131	165,217	209,859	113,253	3,354	5,928	103,971
Depreciation.....	33,316,414	8,472,566	12,461,063	12,382,695	15,975,729	6,340,405	809,526	1,386,258	4,144,621
Depletion.....	367,521	94,433	1,203	271,885	119,227	96,532	*1,191	16,407	78,933
Advertising.....	1,515,820	803,360	564,660	147,800	14,832,262	3,402,255	320,922	528,143	2,553,190
Pension, profit-sharing, stock bonus, and annuity plans.....	7,352,759	2,105,940	3,639,352	1,607,467	5,012,946	2,588,796	314,450	499,277	1,775,068
Employee benefit programs.....	4,139,925	1,853,559	1,526,255	760,110	4,242,380	1,688,453	278,860	321,974	1,087,618
Net loss, noncapital assets.....	148,940	44,211	22,977	81,751	401,971	247,359	11,566	19,674	216,119
Other deductions.....	40,717,102	19,252,271	11,348,513	10,116,318	209,415,643	75,240,270	10,546,277	13,805,254	50,888,739
Total receipts less total deductions.....	18,184,361	4,412,673	7,139,745	6,631,943	39,002,174	24,606,661	1,287,225	5,867,577	17,451,859
Constructive taxable income from related foreign corporations.....	193,283	92,057	52,800	48,427	1,286,643	1,171,382	2,029	10,205	1,159,149
Net income (less deficit).....	18,355,601	4,488,603	7,190,105	6,676,893	40,181,385	25,753,036	1,288,170	5,875,129	18,589,737
Net income.....	21,907,705	6,803,690	7,391,739	7,712,276	48,189,112	29,450,622	1,715,053	6,373,164	21,362,405
Deficit.....	3,552,104	2,315,087	201,634	1,035,383	8,007,727	3,697,586	426,883	498,035	2,772,668
Income subject to tax.....	20,734,781	6,042,687	7,112,503	7,579,591	34,697,843	18,620,507	1,289,066	3,083,673	14,167,768
Income tax, total.....	9,252,511	2,500,538	3,301,557	3,450,415	13,419,871	7,298,553	527,839	1,142,360	5,628,354
Normal tax, surtax, and alternative tax.....	9,070,880	2,449,929	3,204,159	3,416,793	13,293,128	7,235,232	523,823	1,122,129	5,589,280
Tax from recomputing prior-year investment credit.....	150,233	28,024	96,781	25,428	108,708	52,578	3,897	19,556	29,124
Tax from recomputing prior-year work incentive (WIN) credit.....	*126	*126	—	—	7,561	*3,174	—	*2	*3,172
Additional tax for tax preferences.....	31,272	22,459	*618	8,195	10,474	7,569	119	672	6,778
Foreign tax credit.....	315,096	126,811	49,735	138,550	891,394	763,182	950	12,853	749,379
U.S. possessions tax credit.....	33,377	301	33,076	—	78,141	73,370	331	143	72,896
Investment credit.....	4,055,857	882,719	1,732,352	1,440,786	1,328,438	594,219	68,077	117,205	408,937
Work incentive (WIN) credit.....	851	620	170	61	3,575	924	87	184	652
Jobs credit.....	43,203	33,141	6,463	3,599	359,373	137,896	16,756	37,568	83,572
Distributions to stockholders.....									
Cash and property except in own stock.....	15,264,900	1,547,515	4,937,975	8,779,410	8,828,705	5,905,980	262,346	1,733,076	3,910,558
Corporation's own stock.....	291,829	136,907	19,152	135,769	408,758	186,931	17,185	23,018	146,728

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 2.2 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued									
	Wholesale and retail trade — Continued									
	Retail trade									
	Total	Building materials, garden supplies, and mobile home dealers	General merchandise stores	Food stores	Automotive dealers and service stations	Apparel and accessory stores	Furniture and home furnishings stores	Eating and drinking places	Miscellaneous retail stores	Wholesale and retail trade not allocable
	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
Number of returns, total .....	505,440	41,249	8,297	37,663	82,834	44,422	41,284	108,462	141,229	1,412
Total assets .....	266,714,400	18,546,781	69,699,691	31,070,916	51,697,569	13,455,770	12,975,459	26,590,123	42,678,091	508,797
Cash .....	16,099,645	1,310,126	1,821,316	2,320,189	3,134,104	1,250,881	1,020,617	1,934,098	3,308,316	19,922
Notes and accounts receivable .....	50,795,781	4,431,718	23,677,809	1,813,213	6,905,473	2,082,598	3,354,617	1,440,662	7,089,671	146,163
Less: Allowance for bad debts .....	2,109,538	127,186	1,323,216	19,255	166,201	94,914	123,661	26,746	228,359	2,906
Inventories .....	90,072,369	7,111,044	17,847,643	9,664,672	27,282,240	5,423,554	5,476,970	1,381,605	15,884,640	168,165
Investments in Government obligations:										
United States .....	661,442	*8,727	66,282	284,624	52,072	83,504	*19,972	48,370	97,892	*1,000
State and local .....	237,575	*362	101,996	47,546	21,979	*8,262	*15,913	*15,533	25,984	—
Other current assets .....	9,121,366	448,465	1,763,364	1,185,137	1,690,288	639,190	396,003	976,198	2,022,743	35,444
Loans to stockholders .....	2,521,879	127,150	207,820	140,851	408,867	414,271	186,915	524,825	511,179	*6,781
Mortgage and real estate loans .....	1,400,229	112,246	689,049	59,597	191,355	52,959	14,547	176,540	103,935	*993
Other investments .....	16,237,082	998,088	5,269,187	2,019,355	1,243,839	707,867	431,656	3,239,733	2,327,358	14,860
Depreciable assets .....	105,764,078	5,695,301	24,506,341	19,648,777	14,081,500	4,066,025	2,875,395	19,449,167	15,441,572	193,813
Less: Accumulated depreciation .....	41,432,096	2,597,567	9,100,952	7,993,081	5,683,223	1,767,131	1,179,166	6,495,970	6,615,005	107,437
Depletable assets .....	235,912	*12,610	*2,956	*2,301	31,625	*13,436	*5,812	*14,403	*152,769	—
Less: Accumulated depletion .....	83,503	*1,071	*1,481	*255	11,663	*4,999	*1,435	*3,813	*58,786	—
Land .....	7,739,617	608,483	1,590,416	943,230	1,454,490	156,287	230,244	1,910,095	846,372	*4,072
Intangible assets (amortizable) .....	2,403,661	157,592	159,770	276,534	117,628	161,959	27,410	847,550	655,219	*8,076
Less: Accumulated amortization .....	767,072	44,502	38,547	85,767	39,630	39,291	9,833	294,620	214,882	*1,569
Other assets .....	7,815,954	295,198	2,459,938	763,248	982,825	301,314	233,484	1,452,472	1,327,474	21,420
Total liabilities .....	266,714,400	18,546,781	69,699,691	31,070,916	51,697,569	13,455,770	12,975,459	26,590,123	42,678,091	508,797
Accounts payable .....	45,687,011	2,804,483	14,502,222	6,743,534	5,272,464	2,446,121	2,575,030	2,536,545	8,806,611	170,476
Mortgages, notes, and bonds payable in less than one year .....	37,716,201	2,673,980	5,068,450	1,274,568	21,250,651	819,120	1,443,513	1,632,383	3,553,536	61,664
Other current liabilities .....	25,373,143	1,277,505	8,611,991	3,248,091	3,681,405	1,273,853	1,300,368	2,119,067	3,860,865	49,410
Loans from stockholders .....	9,741,696	954,433	825,230	652,670	1,607,501	532,719	664,531	1,942,380	2,562,233	29,670
Mortgages, notes, and bonds payable in one year or more .....	49,789,846	2,889,241	13,724,490	7,233,199	6,285,286	1,960,702	1,809,866	8,461,043	7,426,018	72,591
Other liabilities .....	9,085,937	582,445	2,588,964	808,809	775,851	263,326	485,515	2,555,555	1,025,472	*32,522
Capital stock .....	18,242,937	1,689,886	3,206,199	1,795,769	3,834,857	1,303,326	1,127,906	2,056,092	3,228,902	55,263
Paid-in or capital surplus .....	12,648,636	647,822	3,401,512	1,986,343	1,019,060	979,710	639,839	1,720,107	2,254,244	*22,440
Retained earnings, appropriated .....	851,677	43,435	286,850	43,356	134,161	43,210	134,209	54,626	111,829	256
Retained earnings, unappropriated .....	60,790,557	5,297,657	17,960,400	7,622,931	8,379,028	4,131,898	3,034,785	4,000,724	10,363,154	8,703
Less: Cost of treasury stock .....	3,213,240	314,104	476,616	338,355	542,695	298,216	240,082	488,398	514,772	*14,197
Total receipts .....	778,904,603	45,216,829	124,476,749	169,064,537	213,377,638	31,416,886	30,494,511	56,880,119	108,975,333	2,119,759
Business receipts .....	755,696,140	44,341,435	111,309,337	167,426,552	209,957,842	30,766,347	29,859,383	54,909,729	107,125,515	2,102,729
Interest on Government obligations:										
United States .....	71,110	2,026	7,651	24,786	8,905	6,009	971	8,780	11,892	57
State and local .....	82,424	*49	1,173	71,138	570	1,179	*5,857	1,196	1,262	—
Other interest .....	3,813,213	200,747	1,573,365	220,693	924,571	142,266	189,435	214,909	347,228	3,270
Rents .....	2,600,721	150,851	598,578	294,895	444,774	107,851	75,448	680,477	247,847	*3,111
Royalties .....	187,880	2,994	4,190	13,126	14,180	4,496	*1,119	129,062	18,714	—
Net short-term capital gain reduced by net long-term capital loss .....	19,071	1,680	*985	1,398	5,606	*3,677	*286	1,512	3,925	—
Net long-term capital gain reduced by net short-term capital loss .....	782,940	65,719	182,842	73,744	82,169	5,962	10,323	214,420	147,762	*441
Net gain, noncapital assets .....	477,596	41,272	30,010	43,411	106,225	35,441	11,070	112,349	97,818	*2,666
Dividends received from domestic corporations .....	376,472	7,353	246,732	22,262	24,372	43,614	6,658	8,381	17,100	*8
Dividends received from foreign corporations .....	126,499	*572	84,726	24,359	*1,931	*638	4	*26	14,243	—
Other receipts .....	15,670,537	404,130	10,437,161	848,083	1,806,493	299,408	333,955	599,279	942,027	7,477
Total deductions .....	765,519,148	43,836,732	121,277,913	166,794,498	211,966,003	30,423,288	29,679,410	55,476,700	106,064,604	2,109,701
Cost of sales and operations .....	547,274,267	32,370,433	72,283,642	130,512,372	178,066,222	18,239,057	18,806,309	23,700,943	73,295,288	1,807,831
Compensation of officers .....	12,931,258	1,252,300	413,290	1,167,134	2,943,355	1,027,590	1,212,090	1,803,758	3,111,741	23,272
Repairs .....	3,696,567	196,865	611,862	891,739	532,458	118,914	129,880	735,887	478,862	4,934
Bad debts .....	1,529,937	193,124	474,915	81,113	260,494	81,504	135,671	53,478	249,636	2,115
Rent paid on business property .....	16,078,856	534,000	2,804,223	2,318,555	1,806,762	1,870,490	976,788	2,973,100	2,794,937	45,409
Taxes paid .....	13,416,367	790,546	2,608,055	2,182,879	2,317,953	713,771	605,874	2,186,233	2,011,054	22,775
Interest paid .....	10,093,060	639,168	2,878,438	623,249	3,187,215	335,495	399,955	942,461	1,087,078	18,398
Contributions or gifts .....	190,936	14,037	58,935	22,705	21,230	13,648	10,006	14,926	35,450	171
Amortization .....	95,724	2,305	11,430	11,249	6,748	3,587	1,746	32,693	25,967	*883
Depreciation .....	9,620,396	526,964	1,850,526	1,658,790	1,706,989	396,570	280,596	1,748,092	1,451,870	14,928
Depletion .....	22,695	448	*1,266	*1,711	1,354	—	1	*7,077	10,838	—
Advertising .....	11,423,865	482,039	2,970,079	1,676,832	1,621,841	679,231	1,133,581	1,147,681	1,712,580	6,142
Pension, profit-sharing, stock bonus, and annuity plans .....	2,421,867	150,198	642,251	629,382	256,295	140,298	98,995	131,989	372,459	*2,284
Employee benefit programs .....	2,551,019	121,620	482,077	801,289	468,599	90,622	82,065	196,121	308,626	2,908
Net loss, noncapital assets .....	154,458	2,609	4,145	30,664	14,735	8,205	13,548	44,463	36,089	*154
Other deductions .....	134,017,877	6,560,073	33,182,778	24,184,835	18,753,752	6,704,307	5,792,206	19,757,798	19,082,128	157,497
Total receipts less total deductions .....	14,385,455	1,382,098	3,198,836	2,270,039	1,411,635	993,599	815,101	1,403,419	2,910,728	10,058
Constructive taxable income from related foreign corporations .....	115,260	—	86,115	23,574	—	62	—	423	5,086	—
Net income (less deficit) .....	14,418,291	1,382,049	3,283,779	2,222,475	1,411,064	992,482	803,244	1,402,646	2,914,552	10,058
Net income .....	18,712,256	1,605,009	3,512,759	2,638,663	2,534,897	1,378,691	1,087,508	2,244,269	3,710,461	26,233
Deficit .....	4,293,965	222,960	228,980	416,188	1,123,833	386,209	278,264	841,623	795,909	16,175
Income subject to tax .....	16,061,028	1,374,441	3,203,713	2,404,357	2,175,200	1,205,812	896,235	1,697,813	3,103,456	16,309
Income tax, total .....	6,114,457	462,995	1,425,830	1,005,439	722,159	460,128	298,577	620,937	1,118,392	6,861
Normal tax, surtax, and alternative tax .....	6,051,119	460,381	1,410,943	993,647	705,858	457,615	297,233	614,771	1,110,664	6,777
Tax from recomputing prior-year investment credit .....	56,046	2,547	13,053	8,904	15,246	2,480	1,160	5,044	7,612	*84
Tax from recomputing prior-year work incentive (WIN) credit .....	4,387	*26	*1,367	*2,422	*565	—	—	1	*5	—
Additional tax for tax preferences .....	2,904	*40	466	466	489	*33	178	1,121	111	—
Foreign tax credit .....	128,212	*93	83,845	23,724	*31	*116	89	6,129	14,186	—
U.S. possessions tax credit .....	4,772	—	1,282	3,070	—	262	—	38	119	—
Investment credit .....	732,893	35,439	182,427	167,401	78,464	21,993	17,649	109,569	119,951	1,326
Work incentive (WIN) credit .....	2,652	*45	191	377	309	*42	23	969	696	—
Jobs credit .....	221,346	13,268	11,485	36,679	33,686	13,912	12,113	68,699	31,505	*131
Distributions to stockholders:										
Cash and property except in own stock .....	2,919,230	107,851	1,284,299	404,780	154,147	209,328	46,748	316,300	395,777	*3,495
Corporation's own stock .....	221,827	*22,428	38,222	69,746	19,778	*21,641	32,004	*5,752	12,254	—

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 2.2 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued							
	Finance, insurance, and real estate							
	Total	Banking	Credit agencies other than banks	Security, commodity brokers, and services	Insurance	Insurance agents, brokers, and service	Real estate	Holding and other investment companies, except bank holding companies
	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
Number of returns, total .....	471,222	13,645	53,825	6,743	8,005	45,082	294,104	49,818
Total assets .....	3,626,872,420	1,903,716,361	699,820,816	70,088,356	656,732,114	13,982,598	120,461,347	162,070,829
Cash .....	338,472,797	285,297,516	17,102,625	4,110,795	8,228,382	2,566,042	7,322,848	13,844,588
Notes and accounts receivable .....	1,151,109,545	1,001,031,151	76,902,283	31,318,128	17,338,560	4,930,432	11,286,236	8,302,755
Less: Allowance for bad debts .....	30,473,554	11,255,921	18,121,587	48,676	272,516	156,714	482,893	135,246
Inventories .....	5,665,968	94,593	1,265,646	36,194	828,481	11,176	3,046,616	383,263
Investments in Government obligations .....								
United States .....	206,535,440	140,686,255	21,493,531	3,457,631	33,716,284	255,413	531,689	6,394,637
State and local .....	192,543,137	119,711,896	2,755,226	529,274	65,502,668	113,037	303,932	3,627,104
Other current assets .....	112,577,556	30,449,731	10,629,880	24,108,024	26,438,817	626,544	14,499,785	5,824,776
Loans to stockholders .....	5,899,701	1,546,493	1,489,661	39,985	154,081	193,838	1,650,835	824,809
Mortgage and real estate loans .....	828,362,070	155,068,718	541,647,629	94,283	120,061,040	72,684	6,550,860	4,866,857
Other investments .....	609,751,059	101,985,318	28,348,285	4,542,288	350,458,686	3,002,111	11,515,859	109,898,513
Depreciable assets .....	131,789,678	34,567,826	13,222,495	1,070,424	11,524,078	1,823,762	63,984,485	5,596,590
Less: Accumulated depreciation .....	41,265,731	8,796,712	4,129,076	402,322	2,554,388	692,127	23,354,769	1,336,336
Depletable assets .....	1,013,764	8,629	72,984	*52,709	2,232	*163	655,544	221,503
Less: Accumulated depletion .....	288,885	2,032	7,452	*27,263	2,095	38	154,619	95,385
Land .....	28,430,744	3,060,547	3,008,362	54,030	809,149	131,689	18,937,812	2,429,155
Intangible assets (amortizable) .....	2,136,187	480,445	292,402	42,542	170,523	346,502	604,565	199,208
Less: Accumulated amortization .....	631,332	84,939	100,643	13,830	42,014	111,197	222,579	56,130
Other assets .....	85,244,278	49,866,848	3,948,565	1,124,124	24,370,146	869,281	3,785,141	1,280,170
Total liabilities .....	3,626,872,420	1,903,716,361	699,820,816	70,088,356	656,732,114	13,982,598	120,461,347	162,070,829
Accounts payable .....	65,049,999	4,823,952	5,835,102	26,353,258	14,546,848	5,442,329	4,557,083	3,491,428
Mortgages, notes, and bonds payable in less than one year .....	169,137,016	52,088,385	78,410,014	12,246,381	6,346,397	675,776	15,171,163	4,198,900
Other current liabilities .....	2,234,033,490	1,619,691,784	472,753,825	21,748,875	107,320,410	1,404,512	6,616,011	4,498,073
Loans from stockholders .....	17,110,456	5,036,391	1,985,269	234,161	1,459,349	318,658	6,593,410	1,483,218
Mortgages, notes, and bonds payable in one year or more .....	208,303,187	38,978,918	90,860,026	2,354,984	10,397,530	1,188,513	53,425,453	11,097,764
Other liabilities .....	491,739,752	51,667,772	13,930,687	1,641,856	414,323,859	396,553	5,832,506	3,946,439
Capital stock .....	100,643,138	24,137,681	8,512,159	798,414	6,276,370	814,933	10,636,029	49,467,553
Paid-in or capital surplus .....	168,994,528	40,719,349	7,447,901	1,992,536	18,265,234	778,324	10,394,936	89,366,248
Retained earnings, appropriated .....	27,181,456	4,520,570	4,778,017	51,378	15,055,354	61,044	436,834	2,278,260
Retained earnings, unappropriated .....	163,034,161	62,700,595	15,720,550	2,838,510	63,466,783	3,164,532	8,200,065	6,943,126
Less: Cost of treasury stock .....	18,354,763	649,036	412,734	171,997	726,019	262,575	1,402,221	14,730,181
Total receipts .....	561,106,822	172,220,355	69,742,445	13,954,140	226,335,472	14,194,448	45,724,025	18,935,936
Business receipts .....	255,128,441	17,144,458	10,792,881	5,911,725	176,616,309	13,540,068	27,047,489	4,075,510
Interest on Government obligations:								
United States .....	17,677,654	11,496,761	2,390,515	663,598	2,314,162	26,711	71,309	714,599
State and local .....	10,170,871	6,390,722	144,603	67,531	3,242,920	15,091	53,523	256,480
Other interest .....	222,909,192	128,983,219	53,621,188	2,551,509	29,472,807	296,014	1,898,124	6,086,331
Rents .....	15,192,613	1,966,213	559,237	36,888	2,943,122	51,966	8,935,065	700,122
Royalties .....	504,104	20,257	14,245	3,442	50,735	*3,059	98,393	313,973
Net short-term capital gain reduced by net long-term capital loss .....	650,117	39,246	35,712	115,413	80,103	1,403	61,237	317,002
Net long-term capital gain reduced by net short-term capital loss .....	4,945,502	550,714	382,910	102,713	421,560	34,526	1,343,007	2,110,074
Net gain, noncapital assets .....	8,983,161	369,929	298,006	3,896,712	93,095	10,782	4,223,638	90,997
Dividends received from domestic corporations .....	7,792,150	518,369	89,043	95,969	3,833,749	48,704	140,686	3,065,629
Dividends received from foreign corporations .....	486,780	181,331	50,891	7,184	60,519	17,208	1,946	167,701
Other receipts .....	16,666,236	4,559,136	1,363,211	501,456	7,206,390	148,917	1,849,608	1,037,518
Total deductions .....	514,280,710	158,638,051	66,769,859	13,312,302	210,963,928	13,101,837	42,576,110	8,918,622
Cost of sales and operations .....	123,513,417	2,969,054	2,938,827	604,537	102,370,279	2,847,154	9,284,721	2,498,844
Compensation of officers .....	13,358,912	5,016,670	1,247,325	1,028,926	839,801	1,985,744	2,763,499	476,944
Repairs .....	2,183,004	740,626	212,362	26,422	101,423	40,604	1,001,966	59,601
Bad debts .....	6,962,984	3,867,004	2,141,801	86,757	375,359	95,684	244,559	131,821
Rent paid on business property .....	6,313,667	2,395,319	484,315	364,077	1,370,199	370,482	1,203,474	125,802
Taxes paid .....	12,959,113	3,213,162	1,039,080	331,106	4,726,270	394,013	2,950,900	304,583
Interest paid .....	164,244,136	101,448,087	47,456,601	2,930,300	4,723,944	175,319	5,732,213	1,777,673
Contributions or gifts .....	314,474	156,096	32,387	9,606	53,814	12,432	32,489	17,651
Amortization .....	179,779	46,214	20,426	8,634	37,227	14,964	46,017	6,298
Depreciation .....	10,250,006	4,189,739	922,062	202,355	1,640,204	248,094	2,785,988	261,564
Depletion .....	118,307	2,816	16,022	10,600	24,408	*32	24,412	40,018
Advertising .....	3,965,482	1,189,136	752,769	110,522	739,348	199,189	943,723	30,797
Pension, profit-sharing, stock bonus, and annuity plans .....	4,352,266	1,524,443	322,972	169,508	1,682,422	269,976	257,389	125,556
Employee benefit programs .....	2,120,801	983,437	205,312	83,224	510,789	150,175	154,740	33,122
Net loss, noncapital assets .....	2,456,716	781,301	336,381	1,060,843	17,913	4,456	199,125	56,698
Other deductions .....	160,987,645	30,094,948	8,641,218	6,284,883	91,750,527	6,293,520	14,950,897	2,971,651
Total receipts less total deductions .....	46,826,112	13,582,304	2,972,586	641,839	15,371,544	1,092,611	3,147,915	10,017,313
Constructive taxable income from related foreign corporations .....	304,030	142,345	51,664	2,055	33,809	14,532	*1,219	58,407
Net income (less deficit) .....	36,959,270	7,333,927	2,879,646	576,362	12,162,432	1,092,053	3,095,610	9,819,240
Net income .....	43,207,792	8,510,247	4,021,426	936,850	12,656,325	1,282,354	5,378,258	10,422,333
Deficit .....	6,248,522	1,176,320	1,141,780	360,488	493,893	190,301	2,282,648	603,093
Income subject to tax .....	28,238,662	7,905,211	3,612,927	793,938	9,503,376	1,021,182	3,864,678	1,537,351
Income tax, total .....	11,749,927	3,412,268	1,591,583	331,121	4,306,488	377,271	1,196,805	534,390
Normal tax, surtax, and alternative tax .....	11,585,974	3,369,609	1,508,446	329,666	4,295,569	375,742	1,183,281	523,661
Tax from recomputing prior-year investment credit .....	46,548	18,360	5,248	1,026	8,617	1,520	6,718	5,059
Tax from recomputing prior-year work incentive (WIN) credit .....	609	202	375	1	( <sup>1</sup> )	*9	22	—
Additional tax for tax preferences .....	116,796	24,097	77,514	428	2,302	—	6,785	5,671
Foreign tax credit .....	1,289,724	959,889	43,179	5,055	204,626	15,869	1,366	59,740
U.S. possessions tax credit .....	2,785	1,790	233	—	—	—	100	663
Investment credit .....	807,449	479,885	56,431	26,731	141,884	19,188	54,832	28,498
Work incentive (WIN) credit .....	723	361	89	3	253	2	*14	1
Jobs credit .....	57,336	14,819	6,603	3,321	3,067	5,809	19,167	4,550
Distributions to stockholders .....								
Cash and property except in own stock .....	18,294,307	3,929,337	730,958	201,746	3,316,567	382,186	832,663	8,900,850
Corporation's own stock .....	1,051,694	665,868	54,652	*12,630	128,143	*5,752	36,861	147,787

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 2.2 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued							
	Services							Nature of business not allocable
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair, miscellaneous repair services	Amusement and recreation services	Other services	
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total	603,445	18,789	44,663	151,031	65,354	48,178	275,430	11,900
Total assets	154,038,119	19,491,460	6,823,723	45,590,229	19,244,023	27,212,351	35,676,334	1,418,661
Cash	14,820,487	1,529,462	758,222	4,310,272	1,186,959	2,031,999	5,003,574	171,874
Notes and accounts receivable	25,758,001	1,261,190	1,201,663	11,358,448	2,896,875	2,829,240	6,210,586	319,323
Less: Allowance for bad debts	826,756	85,017	22,967	221,317	57,970	127,369	312,115	22,990
Inventories	7,575,358	272,783	484,929	2,064,453	1,565,362	1,965,242	1,222,590	143,275
Investments in Government obligations								
United States	802,102	13,638	*19,093	229,252	103,238	190,840	246,041	*16,879
State and local	496,584	*8,812	*37,837	375,960	*11,629	16,424	45,922	5,472
Other current assets	11,091,763	631,781	360,637	3,782,872	642,747	3,889,028	1,784,697	97,129
Loans to stockholders	2,291,628	173,861	115,951	597,725	164,318	203,788	1,035,985	99,157
Mortgage and real estate loans	2,062,201	295,066	26,437	520,641	29,941	908,206	281,908	90,325
Other investments	16,443,644	2,529,130	417,048	6,341,699	636,163	2,970,302	3,549,303	162,098
Depreciable assets	47,653,470	15,556,889	5,298,233	22,961,835	17,991,340	15,728,017	20,117,156	639,270
Less: Accumulated depreciation	38,895,170	5,193,656	2,711,130	9,832,528	7,109,161	6,713,097	7,335,598	423,296
Depletable assets	169,081	*13,966	*9,836	67,453	*3,510	*24,195	50,122	1,100
Less: Accumulated depletion	21,643	*1,113	*1,529	6,689	*433	*2,559	9,319	—
Land	6,513,289	1,754,945	387,198	813,242	618,360	1,565,842	1,373,702	51,554
Intangible assets (amortizable)	2,622,130	182,497	140,468	736,352	122,068	1,012,440	428,305	19,839
Less: Accumulated amortization	1,112,548	63,912	41,115	183,471	27,342	647,083	149,625	4,293
Other assets	6,594,497	611,139	342,911	1,674,032	466,420	1,366,895	2,133,100	51,945
Total liabilities	154,038,119	19,491,460	6,823,723	45,590,229	19,244,023	27,212,351	35,676,334	1,418,661
Accounts payable	15,071,000	903,882	474,783	6,331,683	1,636,280	2,651,789	3,072,584	361,961
Mortgages, notes, and bonds payable in less than one year	17,198,134	1,231,141	615,355	6,607,244	3,571,286	2,029,844	3,143,264	104,538
Other current liabilities	19,862,072	1,309,455	764,476	5,080,973	1,961,736	5,755,282	4,990,150	197,366
Loans from stockholders	6,400,757	1,175,200	314,278	1,644,380	561,287	1,162,466	1,543,147	55,085
Mortgages, notes, and bonds payable in one year or more	43,496,104	9,107,043	1,427,157	10,572,220	6,329,274	6,418,001	9,642,409	306,045
Other liabilities	6,747,992	700,445	292,985	1,977,776	866,396	1,235,524	1,674,866	42,930
Capital stock	11,106,389	1,771,679	811,847	2,382,074	812,859	2,503,235	2,824,695	166,645
Paid-in or capital surplus	12,915,172	1,689,230	263,633	4,781,290	673,653	2,167,938	3,339,429	202,627
Retained earnings, appropriated	503,251	61,802	48,317	166,161	52,755	62,111	112,104	*45
Retained earnings, unappropriated	23,428,575	1,808,164	2,108,053	6,808,793	2,979,617	3,677,734	6,046,215	- 4,072
Less: Cost of treasury stock	2,691,327	266,581	297,159	762,366	201,119	451,572	712,530	*34,510
Total receipts	245,107,695	16,321,571	12,140,081	73,200,299	27,028,786	27,905,753	88,511,205	2,386,149
Business receipts	235,009,878	15,259,320	11,806,187	70,158,741	25,931,614	25,528,267	86,325,748	2,079,231
Interest on Government obligations								
United States	111,066	3,507	4,409	29,936	9,223	31,938	32,052	*1,875
State and local	23,864	1,169	*2,724	11,482	*1,003	2,773	4,712	*671
Other interest	2,068,575	185,267	76,710	738,372	193,058	382,548	492,621	18,883
Rents	1,629,681	101,517	79,398	648,380	270,118	265,219	265,049	14,187
Royalties	792,070	110,757	*26,355	61,024	*6,076	574,005	13,854	15
Net short-term capital gain reduced by net long-term capital loss	87,650	6,703	*3,360	30,633	4,786	24,020	18,148	*936
Net long-term capital gain reduced by net short-term capital loss	745,028	142,935	24,764	195,145	49,295	130,820	202,069	*51,103
Net gain, noncapital assets	706,508	34,691	22,094	207,857	256,417	51,628	133,820	1,750
Dividends received from domestic corporations	210,053	21,189	6,651	58,008	23,238	55,856	45,110	*2,344
Dividends received from foreign corporations	112,475	68	6,290	58,015	*2,520	19,661	25,922	—
Other receipts	3,610,848	454,447	81,140	1,002,707	281,437	839,017	952,100	215,156
Total deductions	236,870,675	15,354,346	11,620,402	70,787,216	26,481,815	26,603,646	86,023,250	2,287,441
Cost of sales and operations	117,180,747	7,357,033	5,905,304	40,359,422	14,374,045	13,512,613	35,672,330	1,326,167
Compensation of officers	26,222,116	309,443	809,705	4,494,631	1,434,551	1,256,352	17,917,433	108,136
Repairs	2,313,316	407,999	161,368	479,282	409,535	375,906	479,226	8,233
Bad debts	793,532	53,696	48,667	257,479	79,518	49,109	305,063	4,663
Rent paid on business property	8,686,255	885,529	526,571	2,064,705	787,421	994,280	3,427,749	61,936
Taxes paid	8,253,806	868,930	479,022	2,177,949	858,780	914,973	2,954,152	83,729
Interest paid	6,128,683	958,759	208,679	1,703,696	1,171,069	848,733	1,237,747	34,314
Contributions or gifts	106,303	7,575	7,363	29,204	5,943	24,901	31,317	818
Amortization	197,680	7,085	7,801	73,400	2,940	83,615	22,839	310
Depreciation	11,720,749	936,666	525,188	3,333,022	3,195,642	1,894,634	1,835,597	53,018
Depletion	8,917	*629	*1	3,060	*109	827	4,291	3
Advertising	2,840,289	349,251	237,276	786,459	244,335	848,621	374,348	7,333
Pension, profit-sharing, stock bonus, and annuity plans	4,998,103	47,070	89,545	794,966	91,615	269,910	3,704,997	29,323
Employee benefit programs	1,778,877	112,970	68,552	498,329	127,113	137,656	834,256	10,845
Net loss, noncapital assets	136,267	4,499	6,516	48,761	19,210	29,628	27,654	*4,424
Other deductions	45,505,036	3,047,211	2,538,847	13,682,850	3,679,989	5,361,889	17,194,249	554,189
Total receipts less total deductions	8,237,020	967,225	519,679	2,413,083	546,971	1,302,107	2,487,955	98,708
Constructive taxable income from related foreign corporations	93,833	46	5,510	52,500	122	22,640	13,016	—
Net income (less deficit)	8,306,989	966,101	522,465	2,454,101	546,089	1,321,974	2,496,259	98,037
Net income	12,109,401	1,277,599	668,716	3,677,498	919,796	1,894,527	3,671,266	154,651
Deficit	3,802,412	311,498	146,251	1,223,397	373,707	572,553	1,175,007	56,614
Income subject to tax	9,554,446	999,047	532,155	3,094,120	710,797	1,476,733	2,741,594	129,477
Income tax, total	3,323,418	405,015	183,023	1,126,945	218,396	605,141	784,899	38,294
Normal tax, surtax, and alternative tax	3,278,825	401,534	180,423	1,107,571	212,462	602,985	773,850	38,268
Tax from recomputing prior-year investment credit	42,229	2,834	2,499	18,763	5,927	1,628	10,578	*8
Tax from recomputing prior-year work incentive (WIN) credit	*359	—	*44	*52	( <sup>1</sup> )	—	*263	—
Additional tax for tax preferences	2,005	647	*57	559	*7	528	208	18
Foreign tax credit	142,072	5,539	5,406	61,646	*204	47,969	21,308	—
U.S. possessions tax credit	6,234	730	—	3,242	64	1,278	920	1,236
Investment credit	561,508	43,697	25,268	160,517	64,732	134,700	132,594	3,547
Work incentive (WIN) credit	4,811	192	701	2,372	*50	*197	1,299	*756
Jobs credit	186,234	12,601	6,370	65,096	13,615	9,098	79,455	*1,309
Distributions to stockholders								
Cash and property except in own stock	1,822,529	213,809	141,883	487,378	89,950	280,363	609,146	*11,547
Corporation's own stock	99,295	—	1,145	36,094	15	34,077	27,963	—

\*Estimate should be used with caution because of the small number of sample returns on which it is based

<sup>1</sup>Less than \$500 per return

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS WITH NET INCOME

Table 2.3 — Balance Sheets and Income Statements, by Major Industry

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	All industries	Agriculture, forestry, and fishing	Major industry				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns with net income .....	1,586,485	50,886	11,110	82	1,205	7,805	2,018
<b>Total assets .....</b>	<b>6,048,581,263</b>	<b>26,598,491</b>	<b>94,140,735</b>	<b>10,510,373</b>	<b>6,634,971</b>	<b>69,024,970</b>	<b>7,970,421</b>
Cash .....	425,233,964	1,823,829	3,141,940	136,263	349,423	2,142,158	514,096
Notes and accounts receivable .....	1,647,209,506	2,552,771	22,567,064	884,251	937,890	19,500,862	1,244,060
Less: Allowance for bad debts .....	37,924,097	34,784	88,128	*2,926	22,474	46,460	16,269
Inventories .....	427,610,698	3,144,615	4,280,009	828,515	277,144	2,381,268	793,082
Investments in Government obligations .....							
United States .....	199,101,374	171,994	277,008	17,788	137,251	96,936	25,033
State and local .....	178,594,391	35,544	51,982	—	22,348	*26,746	*2,889
Other current assets .....	220,558,220	854,440	4,978,519	1,435,537	299,005	3,039,100	204,877
Loans to stockholders .....	21,338,041	427,283	1,340,139	68,607	62,220	1,177,182	32,131
Mortgage and real estate loans .....	728,547,569	359,182	228,607	5,634	6,769	194,812	21,392
Other investments .....	942,911,133	2,466,410	20,372,245	2,601,827	1,090,832	15,813,087	866,499
Depreciable assets .....	1,625,541,871	14,630,479	44,115,297	5,135,555	4,340,177	28,156,566	6,482,999
Less: Accumulated depreciation .....	604,034,092	6,743,607	16,552,711	2,033,263	1,864,906	9,671,454	2,983,089
Depletable assets .....	50,809,866	104,687	6,111,448	210,621	404,908	5,073,209	422,709
Less: Accumulated depletion .....	14,453,244	17,809	1,939,168	110,594	106,128	1,643,019	79,426
Land .....	63,402,821	5,704,242	926,961	71,684	154,847	408,407	292,023
Intangible assets (amortizable) .....	32,769,248	50,021	1,974,672	*28,825	31,243	1,899,846	14,759
Less: Accumulated amortization .....	13,649,918	13,127	749,706	*3,928	6,946	732,001	6,831
Other assets .....	155,013,913	1,082,322	3,104,555	1,235,977	521,367	1,207,274	139,487
<b>Total liabilities .....</b>	<b>6,048,581,263</b>	<b>26,598,491</b>	<b>94,140,735</b>	<b>10,510,373</b>	<b>6,634,971</b>	<b>69,024,970</b>	<b>7,970,421</b>
Accounts payable .....	409,866,594	1,309,513	8,075,386	549,796	487,754	6,333,613	704,222
Mortgages, notes, and bonds payable in less than one year .....	360,537,705	4,035,593	2,931,269	396,235	339,484	1,848,155	347,395
Other current liabilities .....	2,319,530,905	1,491,096	17,315,821	761,506	581,251	15,450,144	522,920
Loans from stockholders .....	42,818,047	1,176,697	589,255	*73,772	118,850	299,969	96,664
Mortgages, notes, and bonds payable in one year or more .....	714,847,151	6,579,478	15,970,958	1,678,873	1,448,336	11,226,766	1,616,983
Other liabilities .....	608,456,367	995,029	3,889,484	585,944	463,818	2,427,354	412,368
Capital stock .....	291,463,830	4,374,478	3,219,594	476,391	169,193	1,949,134	624,875
Paid-in or capital surplus .....	386,195,726	1,766,651	12,051,912	1,484,527	479,487	9,796,347	291,551
Retained earnings, appropriated .....	44,814,700	187,944	4,428,768	*1,472	*168,216	4,186,029	73,051
Retained earnings, unappropriated .....	909,247,170	4,982,682	26,208,940	4,519,600	2,437,293	15,764,768	3,487,279
Less: Cost of treasury stock .....	39,196,931	301,670	540,651	*17,744	58,711	257,309	206,886
<b>Total receipts .....</b>	<b>4,890,972,248</b>	<b>38,578,745</b>	<b>117,684,172</b>	<b>5,715,664</b>	<b>7,098,904</b>	<b>96,879,642</b>	<b>7,989,962</b>
Business receipts .....	4,480,995,505	36,521,935	113,324,899	5,319,525	6,663,678	93,654,596	7,687,100
Interest on Government obligations .....							
United States .....	17,233,966	17,866	37,239	11,042	9,832	13,142	3,223
State and local .....	9,781,990	1,680	20,281	6	2,509	16,553	1,213
Other interest .....	228,102,667	274,599	771,107	81,558	99,101	523,526	66,922
Rents .....	26,384,319	191,866	150,683	5,404	47,981	69,372	27,926
Royalties .....	7,856,765	67,633	313,280	5,657	14,445	279,946	13,322
Net short-term capital gain reduced by net long-term capital loss .....	1,082,003	26,606	11,490	*675	456	10,215	145
Net long-term capital gain reduced by net short-term capital loss .....	18,647,325	470,689	695,693	77,859	102,388	457,278	58,169
Net gain, noncapital assets .....	13,050,392	155,180	13,050,392	*18,013	11,465	344,419	21,687
Dividends received from domestic corporations .....	16,078,682	27,420	167,240	19,617	20,433	121,877	5,313
Dividends received from foreign corporations .....	12,529,263	10,202	186,100	107,033	74	77,354	1,639
Other receipts .....	59,229,371	813,068	1,610,578	69,275	126,543	1,311,364	103,395
<b>Total deductions .....</b>	<b>4,571,891,480</b>	<b>35,984,686</b>	<b>72,918,172</b>	<b>5,244,505</b>	<b>6,607,974</b>	<b>53,738,379</b>	<b>7,327,315</b>
Cost of sales and operations .....	3,211,792,067	26,090,168	50,119,782	3,435,301	4,377,776	37,557,537	4,749,167
Compensation of officers .....	79,862,905	972,617	677,989	16,268	72,491	449,588	139,642
Repairs .....	33,794,845	682,351	613,706	29,108	127,694	250,243	206,660
Bad debts .....	13,992,871	27,099	92,412	1,289	20,968	56,518	13,637
Rent paid on business property .....	51,356,143	781,343	440,104	38,186	91,148	244,018	66,752
Taxes paid .....	111,723,511	799,322	1,760,513	267,936	334,359	932,523	225,695
Interest paid .....	215,849,695	971,513	1,835,574	227,872	209,198	1,215,890	182,613
Contributions or gifts .....	2,271,470	13,220	39,448	5,562	4,054	23,948	5,884
Amortization .....	1,110,356	2,134	17,562	1,531	1,506	13,880	646
Depreciation .....	118,587,277	1,337,970	3,016,314	329,960	410,747	1,816,555	459,052
Depletion .....	7,265,919	9,332	1,381,605	278,054	229,944	582,478	291,129
Advertising .....	39,598,080	129,478	78,930	1,256	3,810	49,695	24,169
Pension, profit-sharing, stock bonus, and annuity plans .....	42,449,899	127,994	443,316	93,493	61,224	236,791	51,808
Employee benefit programs .....	28,980,096	93,042	318,419	43,490	103,048	99,168	72,713
Net loss, noncapital assets .....	1,967,452	7,707	25,892	19,957	2,112	3,311	512
Other deductions .....	611,288,895	3,939,394	12,056,606	455,242	557,896	10,206,234	837,234
Total receipts less total deductions .....	319,080,768	2,594,059	44,766,000	471,159	490,930	43,141,263	662,647
Constructive taxable income from related foreign corporations .....	12,350,983	6,383	144,044	60,937	—	80,527	*2,579
Net income .....	321,649,761	2,598,762	44,889,763	532,090	488,421	43,205,237	664,014
Income subject to tax .....	279,372,960	1,675,005	44,043,753	410,249	318,263	42,728,525	586,715
Income tax, total .....	119,962,125	528,605	20,194,526	194,492	154,928	19,574,343	270,763
Normal tax, surtax, and alternative tax .....	118,859,135	518,736	20,089,901	173,610	134,979	19,535,474	245,837
Tax from recomputing prior-year investment credit .....	684,129	8,657	16,458	*304	1,204	13,144	1,806
Tax from recomputing prior-year work incentive (WIN) credit .....	9,151	*5	*31	—	2	*3	*25
Additional tax for tax preferences .....	409,710	1,207	88,137	20,578	18,743	25,721	23,095
Foreign tax credit .....	36,827,303	14,223	18,718,612	87,462	726	18,591,431	38,993
U.S. possessions tax credit .....	1,376,124	—	872	—	—	872	—
Investment credit .....	14,634,207	121,407	270,126	20,748	30,656	161,321	57,402
Work incentive (WIN) credit .....	27,934	53	84	71	3	6	3
Jobs credit .....	1,293,144	19,098	14,744	*96	*783	12,025	1,840
Distributions to stockholders .....							
Cash and property except in own stock .....	82,395,698	337,450	3,026,322	221,219	259,071	2,419,049	126,983
Corporation's own stock .....	2,913,306	2,439	140,721	3,337	—	130,937	*6,446

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS WITH NET INCOME

Table 2.3 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued								
	Construction				Manufacturing				
	Total	General building contractors and operative builders	Heavy construction contractors	Special trade contractors	Total	Food and kindred products	Tobacco manufactures	Textile mill products	Apparel and other textile products
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Number of returns with net income</b> .....	<b>155,123</b>	<b>58,224</b>	<b>10,999</b>	<b>85,900</b>	<b>161,075</b>	<b>9,559</b>	<b>**</b>	<b>3,448</b>	<b>9,451</b>
<b>Total assets</b> .....	<b>90,716,693</b>	<b>42,743,133</b>	<b>21,089,875</b>	<b>26,883,684</b>	<b>1,407,006,480</b>	<b>100,758,336</b>	<b>**</b>	<b>18,438,246</b>	<b>16,492,976</b>
Cash .....	9,494,503	4,051,164	2,202,206	3,241,132	44,242,160	4,121,426	**	715,122	998,923
Notes and accounts receivable .....	25,884,038	9,673,626	6,027,179	10,183,234	334,510,509	19,451,719	**	4,944,942	4,812,397
Less: Allowance for bad debts .....	205,827	53,481	40,669	111,678	5,730,440	345,768	**	61,036	95,758
Inventories .....	15,114,422	10,077,985	1,260,213	3,776,224	229,223,858	19,888,403	**	4,749,553	5,845,651
Investments in Government obligations .....							**		
United States .....	437,602	167,622	167,997	101,983	9,643,577	411,677	**	117,385	92,725
State and local .....	301,895	143,408	130,317	28,171	2,293,356	318,819	**	34,991	77,010
Other current assets .....	9,623,668	5,868,800	1,649,468	2,105,401	63,275,443	3,273,073	**	588,578	671,814
Loans to stockholders .....	1,290,652	623,128	153,986	513,538	3,651,106	539,757	**	36,978	125,931
Mortgage and real estate loans .....	1,055,524	909,204	101,978	44,342	3,045,727	692,655	**	3,492	27,789
Other investments .....	5,380,423	2,359,582	2,132,762	888,079	250,811,010	16,673,023	**	1,256,547	1,543,105
Depreciable assets .....	32,995,810	9,433,492	13,546,657	10,015,662	680,227,289	50,732,334	**	12,938,406	3,854,449
Less: Accumulated depreciation .....	16,112,546	3,813,124	7,263,154	5,036,268	308,954,080	21,655,427	**	7,277,734	1,906,427
Depletable assets .....	199,746	71,840	101,925	25,980	39,306,242	347,755	**	*6,260	*2,021
Less: Accumulated depletion .....	67,754	25,029	29,603	13,122	10,384,330	109,059	**	*388	10
Land .....	3,071,452	1,964,703	547,110	559,639	16,841,112	1,670,965	**	145,068	108,207
Intangible assets (amortizable) .....	264,270	155,548	43,148	65,574	20,605,387	763,113	**	30,554	27,917
Less: Accumulated amortization .....	62,211	25,487	13,257	23,467	9,404,556	135,132	**	17,376	13,408
Other assets .....	2,051,025	1,160,152	371,610	519,262	44,403,109	4,119,004	**	246,906	310,577
<b>Total liabilities</b> .....	<b>90,716,693</b>	<b>42,743,133</b>	<b>21,089,875</b>	<b>26,883,684</b>	<b>1,407,006,480</b>	<b>100,758,336</b>	<b>**</b>	<b>18,438,246</b>	<b>16,492,976</b>
Accounts payable .....	18,717,100	9,505,834	3,594,903	5,616,362	181,600,025	12,666,765	**	2,256,292	2,973,503
Mortgages, notes, and bonds payable in less than one year .....	10,895,816	6,939,090	1,678,816	2,277,911	103,058,070	6,323,029	**	1,269,853	1,766,408
Other current liabilities .....	13,582,202	6,241,153	3,236,625	4,104,425	149,394,936	11,275,261	**	1,716,146	1,799,461
Loans from stockholders .....	2,118,282	1,097,703	218,764	801,815	11,776,020	862,982	**	137,746	247,713
Mortgages, notes, and bonds payable in one year or more .....	11,687,542	6,361,750	2,587,612	2,738,181	237,441,080	17,503,112	**	2,504,850	1,768,817
Other liabilities .....	6,294,898	3,152,691	1,606,762	1,535,445	78,813,280	3,443,606	**	262,127	289,456
Capital stock .....	3,982,690	1,307,609	1,156,545	1,518,537	78,751,304	6,214,087	**	1,203,329	1,046,122
Paid-in or capital surplus .....	2,562,334	1,100,748	942,522	519,064	139,036,521	8,540,585	**	1,107,606	1,159,191
Retained earnings, appropriated .....	233,417	99,581	67,399	66,436	10,912,330	741,132	**	56,007	32,412
Retained earnings, unappropriated .....	21,909,834	7,387,681	6,362,543	8,159,610	426,493,872	34,013,562	**	8,172,668	5,655,320
Less: Cost of treasury stock .....	1,267,423	450,705	362,615	454,102	11,270,957	825,786	**	248,377	245,427
<b>Total receipts</b> .....	<b>201,550,742</b>	<b>84,719,968</b>	<b>42,855,552</b>	<b>73,975,221</b>	<b>1,968,343,405</b>	<b>210,445,639</b>	<b>**</b>	<b>34,804,550</b>	<b>35,760,001</b>
Business receipts .....	196,895,126	82,379,790	41,347,112	73,168,224	1,893,371,502	205,836,608	**	34,296,464	35,147,520
Interest on Government obligations .....							**		
United States .....	56,746	25,713	21,627	9,405	1,089,169	85,252	**	21,506	7,546
State and local .....	29,153	10,906	7,668	10,579	483,717	115,965	**	1,654	3,747
Other interest .....	935,257	480,677	270,885	183,694	18,000,130	1,058,341	**	110,745	133,479
Rents .....	688,434	405,738	178,758	103,938	6,685,330	314,818	**	27,709	39,410
Royalties .....	10,610	3,080	6,079	1,452	5,713,513	360,224	**	38,759	80,091
Net short-term capital gain reduced by net long-term capital loss .....	19,008	9,830	5,110	4,068	194,881	21,779	**	2,012	*1,432
Net long-term capital gain reduced by net short-term capital loss .....	412,231	252,955	91,221	68,055	9,144,865	293,659	**	19,294	36,470
Net gain, noncapital assets .....	449,378	195,806	185,538	68,033	2,082,194	193,058	**	20,655	10,676
Dividends received from domestic corporations .....	78,266	21,193	35,077	21,996	6,773,120	255,955	**	64,362	13,910
Dividends received from foreign corporations .....	193,114	21,234	167,284	*4,596	11,054,592	625,321	**	15,807	75,008
Other receipts .....	1,783,420	913,046	539,194	331,180	13,750,392	1,284,657	**	185,583	210,710
<b>Total deductions</b> .....	<b>192,772,395</b>	<b>81,482,940</b>	<b>40,700,744</b>	<b>70,588,711</b>	<b>1,838,358,708</b>	<b>201,687,368</b>	<b>**</b>	<b>32,943,301</b>	<b>33,903,940</b>
Cost of sales and operations .....	157,412,012	70,407,628	32,907,045	54,097,339	1,378,112,507	156,197,453	**	26,491,623	26,036,029
Compensation of officers .....	6,732,864	2,187,681	929,195	3,615,988	15,427,984	1,111,982	**	376,115	802,588
Repairs .....	1,061,029	209,572	477,065	374,391	22,496,505	1,674,208	**	292,177	79,685
Bad debts .....	323,116	71,298	50,370	201,448	3,314,232	233,166	**	45,946	79,053
Rent paid on business property .....	1,083,614	260,322	301,079	522,212	14,382,880	1,490,147	**	238,618	340,147
Taxes paid .....	4,230,001	1,195,867	881,791	2,152,343	49,659,885	5,078,650	**	832,963	873,832
Interest paid .....	2,224,222	1,140,379	514,471	569,373	35,771,567	2,672,453	**	479,560	537,422
Contributions or gifts .....	76,131	33,801	17,400	24,930	1,173,003	95,569	**	23,388	28,007
Amortization .....	21,649	15,401	3,613	2,635	411,696	27,310	**	2,898	3,173
Depreciation .....	3,433,409	895,134	1,331,889	1,206,387	51,518,840	4,058,893	**	974,624	317,765
Depletion .....	43,990	8,756	29,670	5,565	5,266,320	33,062	**	*3,076	*425
Advertising .....	449,028	195,706	38,332	214,990	20,566,754	5,429,338	**	175,725	300,666
Pension, profit-sharing, stock bonus, and annuity plans .....	1,055,921	323,630	270,243	462,048	21,539,410	1,307,248	**	245,535	210,652
Employee benefit programs .....	1,045,074	213,396	243,003	588,675	17,263,943	1,114,364	**	186,319	196,620
Net loss, noncapital assets .....	24,083	5,902	8,599	9,582	411,837	18,007	**	3,537	12,264
Other deductions .....	13,556,251	4,318,468	2,696,979	6,540,805	201,041,326	21,145,518	**	2,571,197	4,085,612
<b>Total receipts less total deductions</b> .....	<b>8,778,347</b>	<b>3,237,028</b>	<b>2,154,809</b>	<b>3,386,510</b>	<b>129,984,697</b>	<b>8,758,272</b>	<b>**</b>	<b>1,861,250</b>	<b>1,856,061</b>
Constructive taxable income from related foreign corporations .....	154,739	31,795	121,698	1,246	10,187,662	456,790	**	14,340	51,398
Net income .....	8,903,932	3,257,917	2,268,838	3,377,177	139,688,642	9,099,097	**	1,873,936	1,903,712
Income subject to tax .....	7,250,471	2,580,269	1,993,508	2,676,694	133,051,625	8,778,410	**	1,785,115	1,762,577
Income tax, total .....	2,540,395	906,803	818,039	815,553	58,954,247	3,954,582	**	800,020	748,145
Normal tax, surtax, and alternative tax .....	2,509,913	898,798	804,925	806,190	58,474,675	3,923,031	**	796,999	746,581
Tax from recomputing prior-year investment credit .....	25,173	5,806	11,256	8,109	317,570	28,039	**	2,916	1,509
Tax from recomputing prior-year work incentive (WIN) credit .....	*78	*75	1	*1	389	363	—	—	—
Additional tax for tax preferences .....	5,231	2,122	1,856	1,253	161,613	3,149	—	*105	*55
Foreign tax credit .....	169,840	30,488	137,066	2,286	15,286,370	628,397	**	20,996	53,417
U.S. possessions tax credit .....	1,132	1,054	—	78	1,252,346	96,100	**	4,531	30,191
Investment credit .....	366,108	88,136	163,949	114,023	7,120,231	457,443	**	107,648	32,030
Work incentive (WIN) credit .....	998	49	389	560	16,083	750	**	870	977
Jobs credit .....	209,127	63,736	34,307	111,084	402,790	21,441	**	11,310	31,856
Distributions to stockholders .....							**		
Cash and property except in own stock .....	622,747	234,658	193,510	194,579	37,335,488	2,350,269	**	440,447	196,519
Corporation's own stock .....	27,261	*12,150	*6,686	8,425	1,007,311	56,435	—	*21,315	16,769

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS WITH NET INCOME

Table 2.3 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued								
	Manufacturing — Continued								
	Lumber and wood products	Furniture and fixtures	Paper and allied products	Printing and publishing	Chemicals and allied products	Petroleum (including integrated) and coal products	Rubber and miscellaneous plastics products	Leather and leather products	Stone, clay, and glass products
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
<b>Number of returns with net income</b> .....	9,535	5,399	2,577	24,300	6,425	1,051	6,444	1,541	6,398
<b>Total assets</b> .....	36,636,424	7,596,181	39,000,848	40,034,344	133,872,103	313,680,140	23,660,220	5,965,095	32,095,302
Cash .....	1,310,179	408,953	1,075,322	2,161,973	3,202,526	6,678,804	787,934	359,121	1,083,818
Notes and accounts receivable .....	4,844,624	2,027,727	6,152,126	8,930,002	26,006,614	58,306,076	5,984,057	1,648,768	5,949,281
Less: Allowance for bad debts .....	125,657	41,499	132,674	538,351	537,526	557,197	112,665	43,854	160,795
Inventories .....	5,534,587	2,189,873	5,286,436	4,295,557	21,225,801	19,770,313	4,789,418	1,934,469	4,520,167
Investments in Government obligations .....									
United States .....	134,872	36,633	284,105	485,741	488,267	1,591,968	70,281	28,617	257,559
State and local .....	11,566	67,368	50,285	238,106	230,534	9,602	*73,778	10,692	19,999
Other current assets .....	1,230,900	246,002	1,539,886	2,740,740	4,671,256	12,185,023	470,614	195,386	1,294,019
Loans to stockholders .....	86,364	17,596	128,416	274,954	786,661	234,268	128,893	22,453	72,716
Mortgage and real estate loans .....	1,163,658	16,594	39,942	149,752	31,942	112,505	60,018	—	38,293
Other investments .....	4,361,094	531,481	5,654,410	5,698,217	27,649,859	90,222,425	3,148,882	830,793	4,335,634
Depreciable assets .....	22,632,247	3,453,673	28,027,347	18,548,720	79,390,384	147,714,726	14,720,254	1,502,060	23,749,751
Less: Accumulated depreciation .....	9,428,514	1,630,998	12,812,782	8,205,774	36,924,467	60,802,788	7,301,549	722,633	10,917,795
Depletable assets .....	3,202,776	*7,160	1,945,318	277,485	1,831,645	29,254,735	*9,201	—	451,528
Less: Accumulated depletion .....	137,723	185	296,958	*15,159	550,143	9,309,659	*2,085	—	103,130
Land .....	429,881	109,919	1,315,148	745,386	1,324,162	4,612,490	230,222	40,227	650,120
Intangible assets (amortizable) .....	61,287	31,578	174,633	1,058,433	1,241,731	13,646,818	47,710	52,622	94,675
Less: Accumulated amortization .....	14,514	8,397	41,558	158,973	283,833	7,798,627	18,254	13,295	23,079
Other assets .....	1,338,796	132,705	611,447	3,347,535	4,113,691	7,808,659	572,512	119,551	782,540
<b>Total liabilities</b> .....	36,636,424	7,596,181	39,000,848	40,034,344	133,872,103	313,680,140	23,660,220	5,965,095	32,095,302
Accounts payable .....	2,830,921	891,033	3,328,250	3,730,403	15,672,004	49,512,168	3,238,064	1,046,410	3,279,353
Mortgages, notes, and bonds payable in less than one year .....	2,703,892	488,208	1,420,030	2,486,424	5,214,706	12,469,570	1,101,569	611,364	1,392,234
Other current liabilities .....	3,334,095	758,292	4,090,811	4,937,800	15,583,441	23,458,870	2,682,670	503,852	3,281,504
Loans from stockholders .....	317,107	97,501	88,607	535,535	1,065,250	274,128	291,216	66,750	195,629
Mortgages, notes, and bonds payable in one year or more .....	7,820,658	960,966	7,791,635	6,054,043	24,983,888	46,531,803	4,340,427	848,910	6,718,120
Other liabilities .....	1,280,098	126,065	982,684	2,165,513	3,478,101	33,846,985	1,041,076	76,793	762,030
Capital stock .....	2,141,102	613,008	2,801,814	2,137,081	7,925,155	16,327,222	938,167	685,700	2,047,793
Paid-in or capital surplus .....	3,888,846	463,647	4,410,587	2,741,000	16,258,701	40,639,408	2,114,474	460,611	2,626,012
Retained earnings, appropriated .....	103,293	18,450	64,565	208,309	274,498	854,689	181,347	*52,772	296,619
Retained earnings, unappropriated .....	12,674,522	3,306,253	14,332,903	15,817,379	44,597,954	91,475,326	8,019,839	1,748,743	11,793,733
Less: Cost of treasury stock .....	458,113	127,242	311,038	779,144	1,181,597	1,710,046	288,630	136,810	297,724
<b>Total receipts</b> .....	50,545,750	15,744,620	52,796,964	56,985,454	163,480,429	449,025,741	38,704,864	11,673,769	44,160,665
Business receipts .....	47,091,708	15,478,934	49,455,193	54,995,728	156,871,412	433,958,917	37,795,782	11,648,472	42,756,563
Interest on Government obligations .....									
United States .....	18,565	8,067	24,952	42,326	50,741	227,392	17,531	4,063	17,383
State and local .....	1,166	3,292	5,035	10,973	13,112	26,884	6,061	*514	893
Other interest .....	435,942	56,395	364,653	387,185	1,368,651	3,659,806	156,407	66,417	257,168
Rents .....	71,161	10,481	67,737	148,585	212,962	1,196,516	50,209	80,057	80,057
Royalties .....	23,985	3,996	204,543	134,079	940,920	368,924	72,803	4,801	116,188
Net short-term capital gain reduced by net long-term capital loss .....	*362	*85	983	1,277	8,519	51,154	*440	13	13,395
Net long-term capital gain reduced by net short-term capital loss .....	2,286,030	21,643	1,771,792	338,944	582,951	1,519,020	86,437	17,474	275,699
Net gain, noncapital assets .....	139,145	14,287	174,243	68,327	223,811	210,031	74,664	4,893	81,531
Dividends received from domestic corporations .....	68,228	6,400	145,164	116,723	792,917	1,652,968	52,029	37,591	107,312
Dividends received from foreign corporations .....	85,555	2,063	316,602	175,163	1,093,766	2,900,691	145,877	*23,270	145,735
Other receipts .....	323,903	138,978	266,430	566,142	1,320,667	3,253,439	246,623	56,351	308,740
<b>Total deductions</b> .....	47,063,330	14,719,397	48,264,129	51,526,301	150,989,573	418,541,344	36,876,747	11,200,230	41,212,381
Cost of sales and operations .....	35,129,157	11,012,060	34,412,370	34,098,793	102,956,809	351,396,087	26,783,920	8,381,732	29,402,707
Compensation of officers .....	616,602	385,041	378,802	1,501,756	899,742	3,344,564	624,792	137,040	578,563
Repairs .....	592,165	59,595	1,265,006	353,899	2,487,984	4,156,242	547,590	34,978	981,450
Bad debts .....	81,401	37,925	87,239	331,048	235,926	335,470	79,743	27,973	100,020
Rent paid on business property .....	375,945	150,825	399,384	694,271	1,321,318	2,620,942	375,743	225,982	394,094
Taxes paid .....	1,177,300	384,180	1,254,733	1,725,904	2,965,136	12,009,316	945,467	275,333	1,167,198
Interest paid .....	955,043	185,518	807,985	760,051	3,090,886	5,136,819	631,577	198,919	818,783
Contributions or gifts .....	24,454	11,948	61,203	77,839	138,769	173,954	14,715	8,533	32,593
Amortization .....	15,616	932	9,420	47,911	39,153	65,485	6,023	663	5,815
Depreciation .....	1,722,898	263,809	1,981,500	1,603,313	5,857,817	8,457,195	1,006,033	125,730	1,768,877
Depletion .....	1,937,028	698	503,782	65,946	322,091	1,316,499	3,369	( <sup>1</sup> )	174,032
Advertising .....	169,193	154,108	428,996	512,914	4,365,603	1,043,439	359,936	157,177	217,157
Pension, profit-sharing, stock bonus, and annuity plans .....	352,236	113,641	621,527	706,711	2,243,065	2,096,864	400,267	55,110	537,379
Employee benefit programs .....	262,640	78,198	430,600	550,424	1,343,957	797,971	433,422	82,894	484,953
Net loss, noncapital assets .....	2,470	1,371	10,263	9,637	77,860	182,392	2,246	798	10,577
Other deductions .....	3,649,180	1,879,547	5,611,319	8,485,885	22,643,456	28,409,107	4,661,902	1,487,369	4,538,182
Total receipts less total deductions .....	3,482,419	1,025,223	4,532,836	5,459,153	12,490,856	30,484,397	1,828,117	673,539	2,948,284
Constructive taxable income from related foreign corporations .....	114,979	1,175	225,904	104,554	1,499,046	2,712,880	93,388	743	96,846
Net income .....	3,596,233	1,023,106	4,753,704	5,552,735	13,976,789	33,170,394	1,915,445	673,768	3,044,238
Income subject to tax .....	3,391,886	960,945	4,683,236	5,140,297	13,644,185	31,037,830	1,801,998	608,667	2,889,810
Income tax, total .....	1,152,088	407,408	1,855,145	2,200,831	6,202,165	14,049,774	764,811	267,013	1,243,305
Normal tax, surtax, and alternative tax .....	1,110,018	404,766	1,813,523	2,189,551	6,135,113	14,007,477	752,729	266,545	1,224,984
Tax from recomputing prior-year investment credit .....	7,736	2,565	18,157	9,869	43,552	33,233	11,434	468	9,374
Tax from recomputing prior-year work incentive (WIN) credit .....	( <sup>1</sup> )	—	—	( <sup>1</sup> )	2	( <sup>1</sup> )	( <sup>1</sup> )	—	—
Additional tax for tax preferences .....	34,334	*77	23,465	*1,410	23,498	9,064	*647	—	8,948
Foreign tax credit .....	87,555	1,586	255,707	139,209	1,531,309	6,447,153	123,692	2,946	118,167
U.S. possessions tax credit .....	—	323	2,020	1,256	637,483	47,623	4,430	7,133	8,724
Investment credit .....	276,900	28,915	321,799	222,350	712,720	1,804,418	102,187	14,111	244,204
Work incentive (WIN) credit .....	142	349	313	1,218	404	127	310	148	643
Jobs credit .....	17,677	14,439	5,754	19,364	13,484	3,336	18,992	5,685	14,590
Distributions to stockholders .....									
Cash and property except in own stock .....	608,077	92,106	1,112,551	947,487	5,226,934	10,905,750	378,910	124,195	622,844
Corporation's own stock .....	24,108	17,563	108,966	14,224	51,413	55,001	21,213	*13,741	*20,985

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS WITH NET INCOME

Table 2.3 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued							
	Manufacturing — Continued							
	Primary metal industries	Fabricated metal products	Machinery, except electrical	Electrical and electronic equipment	Motor vehicles and equipment	Transportation equipment, except motor vehicles	Instruments and related products	Miscellaneous manufacturing and manufacturing not allocable
	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
Number of returns with net income.....	3,110	26,414	19,264	10,150	1,600	1,527	4,507	**
<b>Total assets</b> .....	<b>103,003,488</b>	<b>62,049,647</b>	<b>134,554,151</b>	<b>111,197,859</b>	<b>117,697,759</b>	<b>42,320,504</b>	<b>24,803,832</b>	<b>**</b>
Cash.....	2,388,591	3,086,811	3,825,943	4,342,188	1,945,658	3,743,925	717,978	**
Notes and accounts receivable.....	22,670,283	14,845,329	34,916,478	30,706,522	59,756,768	7,507,380	6,277,795	**
Less: Allowance for bad debts.....	303,000	296,084	687,185	708,269	643,462	97,770	83,416	**
Inventories.....	16,373,571	14,907,150	31,461,868	21,772,487	17,064,551	11,458,844	6,100,040	**
Investments in Government obligations:								
United States.....	193,139	233,207	1,257,217	776,985	2,441,086	41,671	658,677	**
State and local.....	309,348	41,291	174,920	116,509	325,257	15	*175,646	**
Other current assets.....	4,284,973	2,572,182	8,618,038	10,511,840	1,669,878	4,107,813	1,153,822	**
Loans to stockholders.....	102,799	208,993	280,074	247,005	182,135	13,196	53,951	**
Mortgage and real estate loans.....	127,448	57,192	125,899	136,030	169,680	35,681	39,934	**
Other investments.....	15,195,818	8,050,395	21,752,071	16,356,158	10,075,949	5,054,312	2,344,070	**
Depreciable assets.....	61,852,946	28,986,199	54,818,859	38,998,524	45,643,783	17,269,473	11,916,902	**
Less: Accumulated depreciation.....	28,942,826	13,214,904	26,025,953	17,678,355	24,905,545	8,607,539	5,440,685	**
Depletable assets.....	753,681	161,806	80,922	642,663	*49,256	*5,854	3,840	**
Less: Accumulated depletion.....	255,256	10,630	5,897	178,274	*5,262	*3,488	705	**
Land.....	985,191	798,958	903,665	866,984	595,965	513,910	316,118	**
Intangible assets (amortizable).....	743,197	312,164	717,107	606,187	123,678	91,774	200,668	**
Less: Accumulated amortization.....	224,176	73,400	227,145	169,224	16,776	23,890	59,878	**
Other assets.....	6,747,760	1,382,987	2,567,269	3,852,899	3,225,159	1,209,346	428,076	**
<b>Total liabilities</b> .....	<b>103,003,488</b>	<b>62,049,647</b>	<b>134,554,151</b>	<b>111,197,859</b>	<b>117,697,759</b>	<b>42,320,504</b>	<b>24,803,832</b>	<b>**</b>
Accounts payable.....	12,236,418	8,766,597	14,434,385	18,000,297	11,156,832	8,733,444	2,913,634	**
Mortgages, notes, and bonds payable in less than one year.....	10,503,082	3,638,288	9,055,883	7,910,944	28,173,171	2,247,254	978,495	**
Other current liabilities.....	9,722,413	7,176,631	18,034,105	14,427,289	10,709,714	8,170,621	3,276,786	**
Loans from stockholders.....	432,454	846,984	4,128,748	593,781	627,835	90,953	170,969	**
Mortgages, notes, and bonds payable in one year or more.....	21,244,786	9,803,101	21,843,606	16,059,323	24,564,216	5,557,668	2,531,697	**
Other liabilities.....	7,157,202	1,989,582	4,862,742	9,347,900	3,054,887	2,082,055	1,351,969	**
Capital stock.....	6,167,635	3,403,023	9,573,265	4,911,693	3,198,027	3,116,235	1,472,007	**
Paid-in or capital surplus.....	10,009,600	5,713,431	13,294,211	9,664,690	5,561,348	2,698,415	2,664,881	**
Retained earnings, appropriated.....	215,511	229,337	6,149,989	451,151	326,053	*9,124	109,662	**
Retained earnings, unappropriated.....	25,958,769	21,369,052	33,978,146	31,090,512	30,477,889	9,911,949	9,454,523	**
Less: Cost of treasury stock.....	644,383	888,378	800,930	1,258,721	152,214	297,213	120,791	**
<b>Total receipts</b> .....	<b>129,024,760</b>	<b>100,297,797</b>	<b>151,808,520</b>	<b>134,088,767</b>	<b>147,403,368</b>	<b>58,815,339</b>	<b>34,322,608</b>	<b>**</b>
Business receipts.....	125,438,924	98,052,984	140,091,033	128,173,216	140,775,741	52,972,373	32,810,934	**
Interest on Government obligations:								
United States.....	30,615	27,076	128,911	70,272	250,497	4,793	44,562	**
State and local.....	14,202	4,202	44,903	178,793	42,200	1,207	7,810	**
Other interest.....	1,326,163	487,331	2,229,545	1,845,722	2,586,565	744,158	230,396	**
Rents.....	146,279	121,406	2,653,056	717,031	532,598	152,684	54,868	**
Royalties.....	98,852	121,586	2,147,958	439,790	168,099	85,367	165,773	**
Net short-term capital gain reduced by net long-term capital loss.....	37,054	3,877	13,083	19,841	1,251	433	44	**
Net long-term capital gain reduced by net short-term capital loss.....	464,647	242,669	409,066	379,754	102,304	170,166	30,581	**
Net gain, noncapital assets.....	183,808	101,506	212,616	121,506	82,436	56,775	32,917	**
Dividends received from domestic corporations.....	256,466	125,049	760,578	678,569	539,206	558,460	300,479	**
Dividends received from foreign corporations.....	347,097	337,373	1,846,342	608,045	1,688,175	179,069	329,549	**
Other receipts.....	680,651	672,738	1,277,428	856,228	634,298	889,854	314,696	**
<b>Total deductions</b> .....	<b>123,386,940</b>	<b>83,294,722</b>	<b>137,728,497</b>	<b>124,443,835</b>	<b>139,446,812</b>	<b>53,088,019</b>	<b>30,774,901</b>	<b>**</b>
Cost of sales and operations.....	96,641,260	69,529,666	89,350,415	86,662,282	103,773,944	38,748,423	19,228,755	**
Compensation of officers.....	581,697	2,286,598	1,963,910	1,177,062	316,276	288,268	405,858	**
Repairs.....	4,164,935	1,011,563	1,249,273	722,583	1,402,565	553,327	496,131	**
Bad debts.....	165,695	208,268	364,323	332,123	325,080	93,162	50,868	**
Rent paid on business property.....	580,601	805,874	1,398,191	1,164,848	764,960	387,428	293,841	**
Taxes paid.....	2,410,067	2,474,616	4,255,987	3,394,045	3,587,689	1,225,612	870,370	**
Interest paid.....	3,369,009	1,532,499	3,582,792	3,245,756	5,093,692	874,968	444,145	**
Contributions or gifts.....	63,369	64,323	114,867	76,966	42,064	55,944	31,432	**
Amortization.....	35,754	14,300	73,132	22,677	10,816	5,399	16,057	**
Depreciation.....	3,771,105	2,214,977	5,310,706	4,011,583	5,178,407	991,453	936,152	**
Depletion.....	689,596	17,143	33,881	102,826	4,244	17,219	*1,761	**
Advertising.....	339,860	685,786	1,029,064	1,605,232	962,357	218,700	702,728	**
Pension, profit-sharing, stock bonus, and annuity plans.....	2,233,810	1,132,604	2,439,078	1,817,335	2,710,388	1,295,182	587,102	**
Employee benefit programs.....	1,221,925	944,677	2,039,012	1,851,685	3,713,257	656,547	458,862	**
Net loss, noncapital assets.....	12,208	18,181	10,831	20,810	6,340	2,763	5,745	**
Other deductions.....	7,106,049	10,353,647	24,513,035	18,236,023	11,556,733	7,673,624	6,245,094	**
<b>Total receipts less total deductions</b> .....	<b>5,637,820</b>	<b>7,003,075</b>	<b>14,080,023</b>	<b>9,644,932</b>	<b>7,954,556</b>	<b>2,727,321</b>	<b>3,547,707</b>	<b>**</b>
Constructive taxable income from related foreign corporations.....	274,838	243,595	1,922,932	475,098	1,235,918	129,215	401,220	**
Net income.....	5,898,456	7,242,468	15,958,052	9,941,237	9,148,274	2,853,329	3,941,117	**
Income subject to tax.....	5,581,624	6,785,587	15,617,526	9,391,774	9,022,432	2,498,694	3,814,528	**
Income tax, total.....	2,520,019	2,877,068	7,009,907	4,199,384	4,138,811	1,118,850	1,727,765	**
Normal tax, surtax, and alternative tax.....	2,459,293	2,858,547	6,958,426	4,169,617	4,118,938	1,108,290	1,721,675	**
Tax from recomputing prior-year investment credit.....	18,678	17,652	48,799	20,886	19,783	8,531	5,881	**
Tax from recomputing prior-year work incentive (WIN) credit.....	—	19	1	1	( <sup>1</sup> )	2	( <sup>1</sup> )	—
Additional tax for tax preferences.....	42,048	851	2,680	8,879	91	2,027	209	**
Foreign tax credit.....	493,574	303,725	2,215,971	733,072	1,455,818	158,173	379,027	**
U.S. possessions tax credit.....	1,199	25,115	26,935	247,145	4,986	419	67,011	**
Investment credit.....	487,471	308,145	582,554	474,816	460,972	240,517	113,828	**
Work incentive (WIN) credit.....	1,009	1,330	1,019	1,775	2,388	937	511	**
Jobs credit.....	12,950	61,359	51,313	51,364	9,171	12,274	15,187	**
Distributions to stockholders:								
Cash and property except in own stock.....	1,541,641	1,074,883	3,561,680	2,668,712	2,840,013	731,986	964,311	**
Corporation's own stock.....	43,992	74,628	70,103	175,401	38,192	134,669	*22,949	**

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS WITH NET INCOME

Table 2.3 — Balance Sheets and Income Statements, by Major Industry — Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Major industry—Continued								
	Transportation and public utilities				Wholesale and retail trade				
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Wholesale trade			
						Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
<b>Number of returns with net income .....</b>	<b>59,649</b>	<b>46,341</b>	<b>5,466</b>	<b>7,842</b>	<b>500,211</b>	<b>188,498</b>	<b>16,175</b>	<b>43,380</b>	<b>128,943</b>
<b>Total assets .....</b>	<b>577,082,002</b>	<b>128,887,334</b>	<b>177,887,433</b>	<b>270,307,235</b>	<b>486,009,411</b>	<b>266,383,692</b>	<b>21,014,972</b>	<b>47,215,301</b>	<b>198,153,419</b>
Cash .....	8,181,085	4,923,329	1,320,839	1,936,917	29,744,604	15,794,338	1,518,650	2,793,637	11,482,051
Notes and accounts receivable .....	49,076,288	19,012,257	12,150,814	17,913,217	135,587,955	91,128,005	6,632,487	15,199,342	69,296,176
Less: Allowance for bad debts .....	714,989	231,182	249,734	234,073	3,182,530	1,316,280	120,531	241,144	954,604
Inventories .....	21,930,279	4,229,871	5,985,496	11,714,912	144,273,811	73,326,664	6,073,215	16,473,179	50,780,270
Investments in Government obligations:									
United States .....	3,638,753	1,291,762	1,341,615	1,005,376	1,605,268	995,404	38,721	110,720	845,963
State and local .....	433,597	409,187	14,780	9,630	387,839	168,404	*3,379	3,265	161,761
Other current assets .....	17,872,963	5,837,770	3,400,131	8,635,062	16,992,825	9,687,331	871,357	1,202,394	7,613,580
Loans to stockholders .....	843,045	693,606	84,220	65,219	7,313,187	5,290,310	166,982	232,544	4,890,784
Mortgage and real estate loans .....	1,961,106	365,579	277,895	1,317,632	2,544,360	1,334,124	43,539	30,095	1,260,490
Other investments .....	47,280,673	17,684,538	15,445,958	14,150,176	43,544,658	29,126,773	983,020	3,990,594	24,153,159
Depreciable assets .....	544,943,407	101,640,466	170,942,710	272,360,230	140,582,374	54,167,345	6,995,415	9,292,115	37,879,815
Less: Accumulated depreciation .....	137,456,240	34,364,871	36,255,161	66,836,209	57,171,332	23,058,588	3,086,096	3,818,676	16,153,816
Depletable assets .....	3,469,198	442,472	*4,274	3,022,452	810,423	610,907	*1,281	29,353	580,273
Less: Accumulated depletion .....	1,018,475	104,968	1,094	912,414	219,137	144,679	456	12,956	131,267
Land .....	4,217,331	1,401,315	653,461	2,162,555	8,914,960	3,487,676	308,097	480,990	2,698,588
Intangible assets (amortizable) .....	4,142,219	2,131,296	1,511,467	499,456	2,587,112	869,580	134,393	126,857	608,330
Less: Accumulated amortization .....	1,421,548	878,218	438,905	103,425	827,219	298,550	44,475	33,378	220,696
Other assets .....	9,703,311	4,404,125	1,698,666	3,600,521	11,520,255	5,214,927	495,995	1,356,369	3,362,564
<b>Total liabilities .....</b>	<b>577,082,002</b>	<b>128,887,334</b>	<b>177,887,433</b>	<b>270,307,235</b>	<b>486,009,411</b>	<b>266,383,692</b>	<b>21,014,972</b>	<b>47,215,301</b>	<b>198,153,419</b>
Accounts payable .....	31,525,841	11,744,722	5,829,497	13,951,622	101,058,991	63,312,469	5,998,387	8,479,669	48,834,413
Mortgages, notes, and bonds payable in less than one year .....	24,608,293	6,139,474	7,375,607	11,093,211	62,255,979	37,150,177	2,446,321	8,315,673	26,388,183
Other current liabilities .....	65,871,288	16,617,268	22,908,370	26,345,647	42,840,161	21,176,792	1,506,124	3,628,276	16,042,391
Loans from stockholders .....	1,851,935	1,130,494	359,271	362,169	11,340,132	5,678,510	472,765	941,972	4,263,773
Mortgages, notes, and bonds payable in one year or more .....	186,955,675	34,898,701	54,192,776	97,864,198	69,613,428	31,714,373	2,758,589	4,788,131	24,167,653
Other liabilities .....	32,812,324	7,944,734	9,181,852	15,685,738	12,007,167	3,960,024	549,905	792,117	2,618,002
Capital stock .....	82,282,506	8,555,412	21,103,667	52,623,427	27,907,459	14,739,314	1,200,082	2,268,979	11,270,253
Paid-in or capital surplus .....	54,295,553	12,703,684	22,258,889	19,332,980	20,201,824	10,230,386	674,830	1,487,017	8,068,539
Retained earnings, appropriated .....	1,405,997	386,517	199,976	819,503	2,082,453	1,315,790	161,799	160,123	993,868
Retained earnings, unappropriated .....	96,774,197	29,492,901	34,838,153	32,443,144	141,815,241	79,733,369	5,465,090	16,873,956	57,394,324
Less: Cost of treasury stock .....	1,301,607	726,573	360,630	214,404	5,113,424	2,627,512	218,920	520,612	1,887,980
<b>Total receipts .....</b>	<b>376,986,197</b>	<b>140,700,800</b>	<b>90,340,404</b>	<b>145,944,993</b>	<b>1,497,703,382</b>	<b>862,502,084</b>	<b>121,991,852</b>	<b>100,431,130</b>	<b>640,079,101</b>
Business receipts .....	365,031,244	134,390,979	88,421,389	142,218,875	1,463,149,295	849,725,388	120,895,784	97,865,225	630,964,378
Interest on Government obligations:									
United States .....	221,918	94,845	39,580	87,494	187,006	121,223	4,988	12,453	103,782
State and local .....	20,429	15,363	1,614	3,452	98,545	16,703	1,084	2,598	13,021
Other interest .....	3,243,612	1,308,681	412,353	1,522,578	7,023,160	3,835,408	208,507	778,579	2,848,321
Rents .....	2,112,169	1,188,584	551,512	372,072	3,430,770	1,193,426	134,560	442,910	615,957
Royalties .....	229,560	122,950	64,009	42,601	275,357	107,959	*12,509	29,779	65,671
Net short-term capital gain reduced by net long-term capital loss .....	88,933	14,654	71,857	2,422	70,324	54,919	1,809	10,032	43,078
Net long-term capital gain reduced by net short-term capital loss .....	1,172,737	816,463	189,825	166,449	1,445,157	753,522	27,533	106,174	619,814
Net gain, noncapital assets .....	795,144	626,076	77,140	91,929	869,296	460,803	27,260	112,313	321,230
Dividends received from domestic corporations .....	301,523	101,269	117,719	82,541	1,067,775	173,095	20,137	60,352	632,606
Dividends received from foreign corporations .....	149,800	72,679	35,227	41,694	360,741	234,319	333	11,828	222,158
Other receipts .....	3,619,129	1,948,057	358,186	1,312,886	19,725,958	5,285,319	657,349	998,886	3,629,084
<b>Total deductions .....</b>	<b>355,243,317</b>	<b>133,968,012</b>	<b>82,999,951</b>	<b>138,275,454</b>	<b>1,450,695,440</b>	<b>834,199,773</b>	<b>120,277,261</b>	<b>94,065,327</b>	<b>619,857,185</b>
Cost of sales and operations .....	231,751,096	92,820,497	40,966,923	97,963,676	1,163,628,871	723,570,164	106,468,791	73,315,895	543,785,479
Compensation of officers .....	2,633,189	1,255,186	379,449	428,554	2,183,749	1,146,455	1,126,850	2,429,434	7,909,170
Repairs .....	673,780	215,437	111,835	346,508	4,869,976	1,865,894	336,390	291,621	1,237,882
Bad debts .....	1,260,797	250,669	691,314	318,614	2,546,816	1,341,263	134,274	261,316	945,673
Rent paid on business property .....	6,366,358	4,596,176	1,200,295	569,887	16,773,002	4,043,390	597,689	673,426	2,772,275
Taxes paid .....	18,808,241	5,178,443	5,718,163	7,911,635	18,946,005	7,995,105	774,037	1,130,344	6,090,724
Interest paid .....	17,992,878	3,568,952	4,872,559	9,551,368	15,116,348	7,769,962	578,513	1,472,771	5,718,679
Contributions or gifts .....	185,887	43,697	87,028	55,162	365,752	175,639	14,268	30,539	130,832
Amortization .....	232,514	60,964	19,035	152,515	170,079	103,841	2,315	5,472	96,054
Depreciation .....	29,347,550	6,685,591	12,324,317	10,337,642	12,991,819	5,310,532	668,460	1,183,759	3,458,313
Depletion .....	336,514	89,091	834	246,589	107,086	85,314	*937	11,351	73,025
Advertising .....	1,256,514	577,748	550,096	128,670	11,892,370	2,755,528	245,311	457,939	2,052,278
Pension, profit-sharing, stock bonus, and annuity plans .....	6,447,033	1,526,261	3,635,903	1,284,870	4,672,275	2,409,273	282,424	466,834	1,660,015
Employee benefit programs .....	3,554,519	1,382,946	1,517,212	654,361	3,425,212	1,401,903	226,867	286,547	888,489
Net loss, noncapital assets .....	101,526	20,954	20,315	60,257	248,190	201,157	6,611	16,657	177,889
Other deductions .....	34,294,918	15,125,200	10,904,572	8,265,146	173,108,891	63,705,354	8,813,523	12,031,422	42,860,408
<b>Total receipts less total deductions .....</b>	<b>21,742,880</b>	<b>6,732,789</b>	<b>7,340,553</b>	<b>7,669,539</b>	<b>47,007,942</b>	<b>28,302,311</b>	<b>1,714,592</b>	<b>6,365,800</b>	<b>20,221,916</b>
Constructive taxable income from related foreign corporations .....	185,254	86,265	52,800	46,189	1,279,715	1,165,015	1,546	9,958	1,153,510
Net income .....	21,907,705	6,803,690	7,391,739	7,712,276	48,189,112	29,450,622	1,715,053	6,373,164	21,362,405
Income subject to tax .....	20,734,781	6,042,687	7,112,503	7,579,591	34,697,843	18,620,507	1,369,066	3,083,673	14,167,768
Income tax, total .....	9,248,868	2,496,246	3,001,489	3,449,133	13,402,998	7,290,919	527,160	1,140,439	5,623,321
Normal tax, surtax, and alternative tax .....	9,070,880	2,449,929	3,204,159	3,416,793	13,293,128	7,235,322	523,823	1,122,129	5,589,280
Tax from recomputing prior-year investment credit .....	147,248	26,135	96,714	24,399	92,529	45,437	3,247	17,636	24,553
Tax from recomputing prior-year work incentive (WIN) credit .....	*126	*126	—	—	7,561	*3,174	—	*2	*3,172
Additional tax for tax preferences .....	30,614	22,056	*616	7,941	9,781	7,077	90	671	6,316
Foreign tax credit .....	315,096	126,811	49,735	138,550	891,394	763,182	950	12,855	749,379
U.S. possessions tax credit .....	33,377	301	33,076	—	78,141	73,370	331	143	72,896
Investment credit .....	4,055,857	882,719	1,732,352	1,440,786	1,328,438	594,219	68,077	117,205	408,937
Work incentive (WIN) credit .....	851	620	170	61	3,575	924	87	184	652
Jobs credit .....	43,203	33,141	6,463	3,599	359,373	137,896	16,756	37,568	83,572
Distributions to stockholders:									
Cash and property except in own stock .....	13,589,362	1,440,240	4,911,490	7,237,631	8,644,232	5,814,529	249,138	1,722,112	3,843,279
Corporation's own stock .....	289,594	134,672	19,152	135,769	399,135	182,193	13,307	23,018	145,868

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS WITH NET INCOME

Table 2.3 — Balance Sheets and Income Statements, by Major Industry — Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Major industry — Continued									
	Wholesale and retail trade — Continued									
	Retail trade									
	Total	Building materials, garden supplies, and mobile home dealers	General merchandise stores	Food stores	Automotive dealers and service stations	Apparel and accessory stores	Furniture and home furnishings stores	Eating and drinking places	Miscellaneous retail stores	Wholesale and retail trade not allocable
	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
<b>Number of returns with net income</b> .....	<b>311,058</b>	<b>29,939</b>	<b>5,965</b>	<b>24,042</b>	<b>49,873</b>	<b>27,397</b>	<b>27,239</b>	<b>52,586</b>	<b>94,017</b>	<b>655</b>
<b>Total assets</b> .....	<b>219,306,983</b>	<b>15,993,135</b>	<b>64,367,484</b>	<b>26,660,235</b>	<b>35,066,125</b>	<b>10,562,278</b>	<b>10,574,079</b>	<b>19,927,132</b>	<b>36,156,515</b>	<b>316,735</b>
Cash .....	13,935,700	1,223,486	1,631,744	2,016,033	2,593,751	1,034,424	895,476	1,607,677	2,933,110	14,566
Notes and accounts receivable .....	44,347,999	3,916,863	22,268,955	1,531,738	4,935,290	1,675,496	2,687,873	1,131,531	6,200,253	111,951
Less: Allowance for bad debts .....	1,864,447	96,784	1,273,712	14,049	110,999	68,999	85,395	20,388	194,122	*1,803
Inventories .....	70,862,736	6,022,517	16,307,354	8,267,450	17,491,034	4,264,655	4,401,522	973,687	13,134,517	84,411
Investments in Government obligations .....										
United States .....	608,864	*8,727	48,147	270,408	42,270	78,157	*19,972	47,733	93,451	*1,000
State and local .....	219,435	*362	101,983	42,595	21,842	*8,225	*15,913	*12,009	*16,506	—
Other current assets .....	7,288,013	349,768	1,652,296	904,199	1,135,678	529,628	279,387	676,305	1,760,753	17,481
Loans to stockholders .....	2,020,933	93,530	197,337	129,530	272,213	380,937	152,343	396,917	398,125	*1,944
Mortgage and real estate loans .....	1,209,243	106,031	666,921	22,451	138,154	41,215	13,805	123,426	97,240	*993
Other investments .....	14,404,259	895,728	4,749,316	1,846,829	985,144	585,811	371,102	2,919,637	2,050,691	*13,625
Depreciable assets .....	86,246,927	4,840,159	22,586,707	16,812,742	9,893,046	2,874,822	2,350,293	13,860,789	13,028,368	168,102
Less: Accumulated depreciation .....	34,013,239	2,213,229	8,407,116	6,813,188	4,105,290	1,274,249	938,947	4,633,931	5,627,289	99,505
Depletable assets .....	199,515	*11,462	*2,956	*2,297	16,374	*13,428	*5,148	*7,583	*140,268	—
Less: Accumulated depletion .....	74,458	*531	*1,481	*254	*6,225	*4,995	*774	*3,813	*56,385	—
Land .....	6,424,766	509,475	1,451,612	861,018	1,059,901	118,563	205,071	1,490,295	728,830	*2,518
Intangible assets (amortizable) .....	1,717,518	124,942	137,336	198,578	64,009	134,225	24,266	509,435	524,706	*14
Less: Accumulated amortization .....	528,660	40,234	31,059	65,988	23,955	34,257	8,753	162,148	162,267	*9
Other assets .....	6,301,880	240,863	2,278,186	647,846	663,888	205,191	185,756	990,388	1,089,761	3,447
<b>Total liabilities</b> .....	<b>219,306,983</b>	<b>15,993,135</b>	<b>64,367,484</b>	<b>26,660,235</b>	<b>35,066,125</b>	<b>10,562,278</b>	<b>10,574,079</b>	<b>19,927,132</b>	<b>36,156,515</b>	<b>316,735</b>
Accounts payable .....	37,682,911	2,321,840	13,460,858	5,735,574	3,744,627	1,799,641	1,837,283	1,647,407	7,135,682	63,611
Mortgages, notes, and bonds payable in less than one year .....	25,057,448	1,958,799	4,698,124	961,719	12,513,929	492,708	956,778	894,149	2,581,241	48,354
Other current liabilities .....	21,631,763	1,109,641	8,128,036	2,654,722	2,666,329	1,020,880	1,107,695	1,553,786	3,390,675	31,607
Loans from stockholders .....	5,638,463	630,698	663,170	291,936	763,643	308,432	440,114	958,697	1,581,774	*23,159
Mortgages, notes, and bonds payable in one year or more .....	37,840,681	2,240,188	11,810,374	5,862,854	3,854,383	1,209,414	1,418,134	5,646,336	5,798,996	58,374
Other liabilities .....	8,015,514	502,924	2,467,124	683,624	574,288	243,912	407,010	2,298,123	838,509	*31,629
Capital stock .....	13,132,788	1,322,234	2,773,966	1,405,519	2,331,079	920,175	844,097	1,171,917	2,363,872	35,358
Paid-in or capital surplus .....	9,963,124	514,829	3,118,989	1,490,310	580,039	618,384	515,854	1,199,810	1,924,908	*8,313
Retained earnings, appropriated .....	766,406	277,042	31,024	108,231	34,130	34,130	42,375	104,544	256	256
Retained earnings, unappropriated .....	62,049,776	5,596,474	17,314,788	7,855,830	6,301,521	4,117,540	3,136,305	4,843,784	10,863,533	32,096
Less: Cost of treasury stock .....	2,471,891	243,348	344,918	312,877	371,943	202,937	219,396	329,252	447,219	*14,022
<b>Total receipts</b> .....	<b>633,969,060</b>	<b>39,634,431</b>	<b>114,551,900</b>	<b>143,262,010</b>	<b>150,068,117</b>	<b>25,146,240</b>	<b>24,750,593</b>	<b>41,560,626</b>	<b>94,995,144</b>	<b>1,232,238</b>
Business receipts .....	612,203,845	38,872,924	101,870,237	141,780,075	147,680,038	24,602,162	24,223,543	39,834,105	93,330,760	1,220,063
Interest on Government obligations .....										
United States .....	65,726	2,025	5,595	23,326	7,946	5,924	951	8,771	11,189	57
State and local .....	81,841	*49	1,173	70,769	475	1,176	*5,856	1,082	1,262	—
Other interest .....	3,186,059	179,528	1,380,770	193,512	637,197	129,883	154,715	192,732	317,721	1,694
Rents .....	2,235,407	137,658	522,407	262,328	324,730	79,339	68,860	617,810	222,274	*1,936
Royalties .....	167,398	*241	4,168	11,976	13,642	*805	*881	118,427	17,237	—
Net short-term capital gain reduced by net long-term capital loss .....	15,406	1,639	*27	1,248	3,794	*3,626	*109	1,301	3,661	—
Net long-term capital gain reduced by net short-term capital loss .....	691,337	47,942	170,427	65,278	64,671	5,678	8,905	200,495	127,940	*298
Net gain, noncapital assets .....	406,554	33,469	25,521	39,042	79,648	28,806	9,535	98,097	92,437	*1,939
Dividends received from domestic corporations .....	354,676	7,030	244,276	19,421	10,096	43,516	6,450	7,843	16,045	*4
Dividends received from foreign corporations .....	126,423	*572	84,863	24,358	*1,925	*638	4	—	14,243	—
Other receipts .....	14,434,389	351,353	10,242,596	770,676	1,233,957	244,688	270,783	479,962	840,374	6,248
<b>Total deductions</b> .....	<b>615,289,663</b>	<b>38,029,373</b>	<b>111,124,075</b>	<b>140,575,800</b>	<b>147,532,746</b>	<b>23,766,435</b>	<b>23,657,229</b>	<b>39,315,698</b>	<b>91,288,506</b>	<b>1,206,005</b>
Cost of sales and operations .....	439,032,097	28,315,695	65,442,863	110,440,591	124,396,582	14,500,133	15,115,096	16,642,270	64,178,867	1,026,609
Compensation of officers .....	10,354,561	1,077,672	365,120	971,755	2,267,236	790,870	979,512	1,276,845	2,625,553	12,733
Repairs .....	3,000,740	162,850	572,124	781,164	370,083	88,960	101,507	522,267	401,784	3,343
Bad debts .....	1,204,071	161,464	423,788	65,882	171,161	60,769	100,683	27,821	192,503	*1,482
Rent paid on business property .....	12,704,503	450,644	2,578,883	1,916,328	1,189,684	1,438,276	744,097	2,131,626	2,254,965	25,110
Taxes paid .....	10,940,765	683,592	2,428,672	1,833,493	1,687,220	556,544	488,619	1,558,020	1,704,606	10,135
Interest paid .....	7,335,886	490,352	2,566,070	489,215	1,833,311	207,010	287,305	644,554	818,069	10,500
Contributions or gifts .....	189,942	13,964	58,917	22,590	20,829	13,517	9,921	14,842	35,360	171
Amortization .....	66,139	1,987	11,320	4,595	4,000	2,859	1,425	20,886	19,067	*99
Depreciation .....	7,668,255	447,372	1,693,088	1,418,004	1,175,628	267,762	228,500	1,235,563	1,202,339	13,032
Depletion .....	21,772	394	*1,266	*1,711	1,260	—	1	*6,903	10,238	—
Advertising .....	9,133,745	416,545	2,693,997	1,375,356	1,045,063	521,566	893,674	844,700	1,342,844	3,096
Pension, profit-sharing, stock bonus, and annuity plans .....	2,260,929	140,698	613,772	579,790	224,106	126,832	92,290	125,136	358,306	*2,073
Employee benefit programs .....	2,021,103	106,133	417,824	624,362	302,178	73,593	67,212	165,053	264,750	2,206
Net loss, noncapital assets .....	47,034	1,316	2,348	8,098	11,382	1,894	1,790	11,073	9,133	—
Other deductions .....	109,308,121	5,558,696	31,254,023	20,442,666	12,833,023	5,115,852	4,545,598	14,088,140	15,870,123	95,417
Total receipts less total deductions .....	18,679,397	1,605,058	3,427,824	2,686,410	2,535,372	1,379,805	1,093,364	2,244,928	3,706,637	26,233
Constructive taxable income from related foreign corporations .....	114,700	—	86,108	23,022	—	62	—	423	5,086	—
Net income .....	18,712,256	1,605,009	3,512,759	2,638,663	2,534,897	1,378,691	1,087,508	2,244,269	3,710,461	26,233
Income subject to tax .....	16,061,028	1,374,441	3,203,713	2,404,357	2,175,200	1,205,812	896,235	1,697,813	3,103,456	16,309
Income tax, total .....	6,105,245	462,507	1,425,008	1,004,323	718,204	458,461	298,368	260,362	1,118,011	6,833
Normal tax, surtax, and alternative tax .....	6,051,119	460,381	1,410,943	993,647	705,858	457,615	297,239	614,771	1,110,664	6,777
Tax from recomputing prior-year investment credit .....	47,036	2,059	12,310	7,821	11,293	842	953	4,484	7,275	*56
Tax from recomputing prior-year work incentive (WIN) credit .....	4,387	*26	*1,367	*2,422	*565	—	—	( <sup>1</sup> )	*5	—
Additional tax for tax preferences .....	2,704	*40	387	*434	488	—	176	1,107	*67	—
Foreign tax credit .....	128,212	*93	83,845	23,724	*31	*116	89	6,129	14,186	—
U.S. possessions tax credit .....	4,772	—	1,282	3,070	—	262	—	38	119	—
Investment credit .....	732,893	35,439	182,427	167,401	78,464	21,993	17,649	109,569	119,951	1,326
Work incentive (WIN) credit .....	2,652	*45	191	377	309	*42	23	969	696	—
Jobs credit .....	221,346	13,268	11,485	36,679	33,686	13,912	12,113	68,699	31,505	*131
Distributions to stockholders .....										
Cash and property except in own stock .....	2,826,208	107,372	1,272,343	382,184	140,403	186,082	44,262	304,318	389,242	*3,495
Corporation's own stock .....	216,942	*22,428	36,222	68,871	*16,299	*21,339	32,004	*5,752	12,026	—

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS WITH NET INCOME

Table 2.3 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued							
	Finance, insurance, and real estate							
	Total	Banking	Credit agencies other than banks	Security, commodity brokers and services	Insurance	Insurance agents, brokers, and service	Real estate	Holding and other investment companies, except bank holding companies
	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
<b>Number of returns with net income</b> .....	<b>281,548</b>	<b>12,157</b>	<b>31,015</b>	<b>4,499</b>	<b>5,710</b>	<b>30,113</b>	<b>166,399</b>	<b>31,655</b>
<b>Total assets</b> .....	<b>3,249,289,045</b>	<b>1,744,840,714</b>	<b>588,593,839</b>	<b>82,051,549</b>	<b>632,759,218</b>	<b>11,907,349</b>	<b>74,479,681</b>	<b>134,656,895</b>
Cash.....	315,988,913	270,209,687	4,324,014	3,823,009	7,284,307	2,299,085	5,542,232	12,506,579
Notes and accounts receivable.....	1,056,428,489	930,924,646	63,325,184	27,770,528	16,712,897	4,343,579	7,714,050	5,637,604
Less: Allowance for bad debts.....	27,340,248	10,340,421	16,089,372	37,645	268,231	141,593	373,748	89,237
Inventories.....	3,842,060	72,234	1,110,085	*16,264	825,308	5,315	1,683,077	129,777
Investments in Government obligations:								
United States.....	182,613,860	123,361,142	18,054,161	3,122,202	31,517,707	252,523	470,153	5,835,973
State and local.....	174,629,162	106,644,247	2,193,891	497,516	62,878,373	111,585	255,174	2,048,376
Other current assets.....	97,813,398	28,162,434	8,655,687	21,711,139	25,372,361	459,297	8,879,507	4,572,973
Loans to stockholders.....	4,604,491	1,533,922	1,242,365	31,626	137,513	125,231	950,286	583,549
Mortgage and real estate loans.....	717,576,816	130,866,911	461,454,991	66,294	117,808,293	66,540	4,376,056	2,937,732
Other investments.....	559,932,491	90,071,420	22,455,393	3,434,489	337,612,780	2,676,266	7,913,093	95,769,050
Depreciable assets.....	97,388,079	30,915,438	10,274,181	909,760	11,116,488	1,402,526	39,336,744	3,432,942
Less: Accumulated depreciation.....	31,801,393	7,909,310	3,440,573	341,082	2,458,137	564,055	16,096,342	991,894
Depletable assets.....	710,110	8,629	8,469	*49,507	2,232	*163	504,437	136,672
Less: Accumulated depletion.....	196,626	2,032	*3,059	*26,086	2,095	38	74,720	88,595
Land.....	17,995,423	2,753,315	1,889,844	34,248	760,949	88,849	11,183,596	1,284,622
Intangible assets (amortizable).....	1,274,920	244,667	186,109	32,022	160,334	224,233	284,872	142,683
Less: Accumulated amortization.....	445,095	65,080	73,361	8,820	40,062	75,335	148,288	34,149
Other assets.....	78,274,193	47,388,865	3,025,629	966,578	23,338,203	633,178	2,079,501	842,240
<b>Total liabilities</b> .....	<b>3,249,289,045</b>	<b>1,744,840,714</b>	<b>588,593,839</b>	<b>82,051,549</b>	<b>632,759,218</b>	<b>11,907,349</b>	<b>74,479,681</b>	<b>134,656,895</b>
Accounts payable.....	56,135,060	4,529,899	4,192,070	23,853,909	14,218,775	4,779,181	2,583,522	1,977,705
Mortgages, notes, and bonds payable in less than one year.....	141,874,199	49,441,523	64,205,867	10,593,809	6,202,530	432,159	8,752,176	2,246,135
Other current liabilities.....	2,012,267,661	1,481,841,335	400,803,923	19,377,442	100,921,099	1,200,806	4,333,730	3,789,327
Loans from stockholders.....	11,251,641	5,024,742	1,116,253	119,016	1,409,252	148,274	2,922,132	511,972
Mortgages, notes, and bonds payable in one year or more.....	158,028,894	36,902,082	75,482,601	1,778,509	9,962,499	618,129	27,976,775	5,308,299
Other liabilities.....	467,783,931	46,179,852	11,283,155	1,443,341	401,626,535	347,934	3,887,623	3,015,489
Capital stock.....	83,474,022	22,059,562	5,955,737	589,762	5,730,425	687,823	6,643,425	41,807,288
Paid-in or capital surplus.....	146,864,760	37,420,077	4,817,950	1,615,103	16,660,634	598,591	5,441,051	80,311,354
Retained earnings, appropriated.....	25,130,022	3,939,094	3,647,703	47,434	14,716,682	45,992	338,570	2,194,547
Retained earnings, unappropriated.....	163,743,021	58,104,483	17,236,402	2,764,186	62,006,645	3,260,825	12,593,012	7,777,469
Less: Cost of treasury stock.....	17,264,166	601,936	348,023	130,962	695,856	212,365	992,334	14,282,689
<b>Total receipts</b> .....	<b>495,231,051</b>	<b>151,845,922</b>	<b>59,472,791</b>	<b>11,748,253</b>	<b>213,988,731</b>	<b>11,260,832</b>	<b>31,365,980</b>	<b>15,548,542</b>
Business receipts.....	226,327,929	15,637,003	9,365,446	4,675,818	166,182,514	10,716,935	17,234,220	2,515,992
Interest on Government obligations:								
United States.....	15,525,915	10,007,056	2,052,657	606,780	2,118,133	26,283	62,656	652,351
State and local.....	9,107,610	5,641,444	89,541	50,470	3,136,757	15,013	23,034	151,352
Other interest.....	196,095,329	113,094,048	45,687,144	2,178,517	28,352,834	275,892	1,356,279	5,150,614
Rents.....	11,854,213	1,739,636	415,615	34,319	2,843,387	39,113	6,422,548	459,595
Royalties.....	463,395	19,867	12,829	3,427	49,283	*3,038	94,128	280,822
Net short-term capital gain reduced by net long-term capital loss.....	594,107	37,681	23,512	107,502	73,588	1,319	49,821	300,685
Net long-term capital gain reduced by net short-term capital loss.....	4,598,558	515,631	355,575	86,750	390,354	25,710	1,211,955	2,012,582
Net gain, noncapital assets.....	7,760,407	334,412	239,313	3,537,271	91,649	9,302	3,489,811	58,649
Dividends received from domestic corporations.....	7,466,156	450,218	74,083	87,858	3,745,011	44,729	134,001	2,930,256
Dividends received from foreign corporations.....	468,135	181,115	50,889	7,050	59,067	16,469	1,806	151,738
Other receipts.....	14,869,297	4,187,811	1,106,186	372,491	6,946,153	87,029	1,285,720	883,907
<b>Total deductions</b> .....	<b>443,217,452</b>	<b>137,836,577</b>	<b>55,413,445</b>	<b>10,762,987</b>	<b>198,229,458</b>	<b>9,977,998</b>	<b>25,964,728</b>	<b>5,032,259</b>
Cost of sales and operations.....	112,205,923	2,846,664	2,443,688	583,600	97,190,966	2,318,533	5,556,537	1,265,933
Compensation of officers.....	11,078,502	4,503,849	1,000,103	897,139	728,042	1,576,243	2,000,921	372,206
Repairs.....	1,632,573	654,721	177,898	22,018	93,694	30,767	616,144	37,330
Bad debts.....	5,881,889	3,354,469	1,895,261	57,190	356,003	73,000	102,365	43,601
Rent paid on business property.....	5,216,817	2,101,885	378,710	312,438	1,278,029	300,533	768,476	76,746
Taxes paid.....	11,009,666	2,851,512	872,668	285,770	4,479,158	330,567	1,951,500	238,490
Interest paid.....	137,839,191	86,938,933	39,861,622	2,452,125	4,577,636	110,847	3,144,963	753,064
Contributions or gifts.....	311,770	155,932	32,356	9,606	53,645	12,430	31,224	16,579
Amortization.....	135,352	38,899	16,355	7,016	33,819	11,760	23,523	3,981
Depreciation.....	8,363,255	3,789,076	764,570	150,958	1,567,674	195,766	1,721,989	173,222
Depletion.....	115,170	2,509	14,830	10,443	24,337	*29	23,337	39,684
Advertising.....	3,191,068	1,051,811	633,554	101,419	700,703	146,721	536,630	20,229
Pension, profit-sharing, stock bonus, and annuity plans.....	4,001,705	1,387,680	275,579	146,897	1,627,310	252,701	195,508	116,019
Employee benefit programs.....	1,858,992	881,189	169,788	73,898	472,195	127,143	110,511	24,269
Net loss, noncapital assets.....	1,099,474	574,426	89,878	394,292	9,033	1,050	23,910	6,884
Other deductions.....	139,276,106	26,703,013	6,786,584	5,258,176	85,037,213	4,489,909	9,157,188	1,844,022
<b>Total receipts less total deductions</b> .....	<b>52,013,599</b>	<b>14,009,346</b>	<b>4,059,346</b>	<b>985,266</b>	<b>15,759,273</b>	<b>1,282,834</b>	<b>5,401,252</b>	<b>10,516,283</b>
Constructive taxable income from related foreign corporations.....	301,803	142,345	51,621	2,055	33,809	14,532	*40	57,402
Net income.....	43,207,792	8,510,247	4,021,426	936,850	12,656,325	1,282,354	5,378,256	10,422,333
Income subject to tax.....	28,235,559	7,903,125	3,612,927	793,938	9,502,359	1,021,182	3,864,678	1,537,351
Income tax, total.....	11,738,259	3,407,150	1,589,104	330,949	4,305,956	377,202	1,194,004	533,894
Normal tax, surtax, and alternative tax.....	11,584,809	3,368,811	1,508,446	329,666	4,295,201	375,742	1,183,281	523,661
Tax from recomputing prior-year investment credit.....	41,509	17,460	4,402	854	8,480	1,450	4,280	4,583
Tax from recomputing prior-year work incentive (WIN) credit.....	603	196	375	1	( <sup>1</sup> )	*9	22	—
Additional tax for tax preferences.....	111,338	20,682	75,881	428	2,274	—	6,422	5,651
Foreign tax credit.....	1,289,696	959,861	43,179	5,055	204,626	15,869	1,366	59,740
U.S. possessions tax credit.....	2,785	—	1,790	233	—	—	100	663
Investment credit.....	806,984	479,549	56,431	26,731	141,755	19,188	54,832	28,498
Work incentive (WIN) credit.....	723	361	89	3	253	2	*14	1
Jobs credit.....	57,265	14,754	6,603	3,321	3,061	5,809	19,167	4,550
Distributions to stockholders:								
Cash and property except in own stock.....	17,120,359	3,631,657	683,885	180,882	3,278,224	373,095	741,762	8,230,855
Corporation's own stock.....	952,419	613,210	29,460	*12,325	125,033	*5,752	31,142	135,498

Footnotes at and of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS WITH NET INCOME

Table 2.3 — Balance Sheets and Income Statements, by Major Industry — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Major industry — Continued							Nature of business not allocable
	Services							
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair, miscellaneous repair services	Amusement and recreation services	Other services	
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns with net income.....	361,741	9,909	27,433	87,356	40,868	26,095	170,080	5,142
<b>Total assets</b> .....	<b>116,669,883</b>	<b>13,873,528</b>	<b>5,732,127</b>	<b>33,469,654</b>	<b>14,105,716</b>	<b>21,666,723</b>	<b>27,822,136</b>	<b>1,068,524</b>
Cash.....	12,500,885	1,312,716	686,986	3,561,793	962,385	1,792,366	4,184,640	116,045
Notes and accounts receivable.....	20,334,952	954,198	1,065,791	8,739,217	2,274,506	2,366,176	4,935,064	267,438
Less: Allowance for bad debts.....	624,146	59,500	18,587	170,248	40,877	88,738	246,197	*3,005
Inventories.....	5,664,713	208,851	420,120	1,330,361	1,230,565	1,695,075	779,741	136,931
Investments in Government obligations.....								
United States.....	698,343	8,150	*19,093	209,901	*85,201	146,530	229,468	*14,968
State and local.....	455,543	*8,179	*37,837	351,260	*1,957	*14,885	41,425	5,472
Other current assets.....	9,089,488	493,877	329,854	3,033,450	434,862	3,500,974	1,296,469	57,477
Loans to stockholders.....	1,771,645	152,064	67,350	447,768	110,307	152,686	841,471	*96,494
Mortgage and real estate loans.....	1,730,593	245,868	24,021	392,588	27,741	875,919	164,456	*45,654
Other investments.....	13,001,404	2,029,484	346,574	4,985,850	501,735	2,443,872	2,693,889	121,819
Depreciable assets.....	70,142,542	10,641,445	4,223,578	16,057,021	12,218,700	11,537,964	15,463,835	516,595
Less: Accumulated depreciation.....	28,876,107	3,852,579	2,153,682	7,484,406	4,577,798	5,240,504	5,567,138	366,076
Depletable assets.....	98,013	*1,747	*4,589	29,246	*1,500	*24,195	36,736	—
Less: Accumulated depletion.....	9,945	*21	*13	*1,999	*225	*2,559	5,127	—
Land.....	4,707,404	1,194,825	308,533	626,414	483,200	1,156,555	937,878	23,935
Intangible assets (amortizable).....	1,851,230	132,891	124,415	517,517	84,967	663,798	327,642	19,415
Less: Accumulated amortization.....	722,356	47,467	35,584	112,509	14,523	410,987	101,286	4,100
Other assets.....	4,855,683	448,800	281,250	956,433	321,513	1,038,518	1,809,169	19,460
<b>Total liabilities</b> .....	<b>116,669,883</b>	<b>13,873,528</b>	<b>5,732,127</b>	<b>33,469,654</b>	<b>14,105,716</b>	<b>21,666,723</b>	<b>27,822,136</b>	<b>1,068,524</b>
Accounts payable.....	11,264,899	624,446	353,899	4,767,936	1,204,243	2,129,817	2,184,558	179,779
Mortgages, notes, and bonds payable in less than one year.....	10,822,788	744,408	448,890	4,325,301	2,115,097	1,237,820	1,951,271	55,699
Other current liabilities.....	16,603,652	1,043,225	671,908	3,858,808	1,676,929	5,268,906	4,083,876	164,087
Loans from stockholders.....	2,696,991	492,581	200,048	551,388	290,301	393,270	769,404	17,094
Mortgages, notes, and bonds payable in one year or more.....	28,329,294	5,839,604	1,108,946	6,016,984	4,154,038	4,298,060	6,911,662	240,801
Other liabilities.....	4,846,550	523,365	270,257	1,337,473	733,409	880,748	1,101,298	12,704
Capital stock.....	7,385,369	1,142,238	490,167	1,502,007	570,805	1,883,856	1,796,296	86,407
Paid-in or capital surplus.....	9,323,612	1,149,096	204,959	3,486,826	497,701	1,487,762	2,497,269	92,555
Retained earnings, appropriated.....	433,743	55,393	*29,551	159,699	37,693	50,807	100,600	*26
Retained earnings, unappropriated.....	27,065,644	2,473,926	2,166,334	8,050,444	2,971,613	4,426,788	6,976,539	253,738
Less: Cost of treasury stock.....	2,102,661	214,755	212,832	587,212	146,115	391,111	550,636	*34,372
<b>Total receipts</b> .....	<b>192,743,653</b>	<b>12,409,738</b>	<b>10,244,928</b>	<b>58,113,415</b>	<b>20,372,011</b>	<b>22,504,230</b>	<b>69,099,332</b>	<b>2,150,900</b>
Business receipts.....	184,496,668	11,468,324	9,981,191	55,843,390	19,512,048	20,358,646	67,333,069	1,876,910
Interest on Government obligations.....								
United States.....	96,420	3,385	4,391	24,049	6,273	30,236	28,086	*1,687
State and local.....	19,904	*950	*2,555	10,560	*624	2,680	2,536	*671
Other interest.....	1,743,453	164,900	65,470	547,341	181,073	349,798	434,870	16,021
Rents.....	1,158,603	74,772	27,900	418,476	201,233	214,384	221,838	12,252
Royalties.....	783,417	110,125	*25,892	57,889	*5,881	570,416	13,213	—
Net short-term capital gain reduced by net long-term capital loss.....	75,718	6,476	*3,356	26,137	4,766	21,204	13,779	*936
Net long-term capital gain reduced by net short-term capital loss.....	656,441	132,951	23,845	180,145	41,782	115,887	161,832	*50,956
Net gain, noncapital assets.....	541,508	26,422	21,233	173,790	174,637	41,234	104,192	*1,701
Dividends received from domestic corporations.....	194,837	20,606	6,569	51,492	21,499	53,865	40,806	*2,344
Dividends received from foreign corporations.....	106,579	68	6,290	57,094	*2,520	18,048	22,560	—
Other receipts.....	2,870,106	400,758	76,236	723,053	219,676	727,830	722,553	187,424
<b>Total deductions</b> .....	<b>180,705,731</b>	<b>11,131,234</b>	<b>9,579,167</b>	<b>54,476,828</b>	<b>19,451,714</b>	<b>20,629,662</b>	<b>65,437,126</b>	<b>1,995,579</b>
Cost of sales and operations.....	91,226,007	5,404,269	4,888,665	32,408,568	10,844,878	10,698,647	26,980,979	1,245,702
Compensation of officers.....	20,416,277	250,261	661,104	3,494,034	1,091,999	937,577	13,981,302	90,734
Repairs.....	1,759,277	298,854	129,958	356,020	324,886	279,932	369,627	5,648
Bad debts.....	542,016	40,654	41,696	160,068	52,724	32,972	213,902	4,493
Rent paid on business property.....	6,261,973	633,408	390,929	1,421,663	602,794	726,303	2,488,875	50,553
Taxes paid.....	6,439,297	674,875	389,762	1,742,096	629,588	715,851	2,287,125	70,581
Interest paid.....	4,071,201	581,896	163,201	1,047,329	789,244	608,452	881,078	27,181
Contributions or gifts.....	105,443	7,544	7,348	28,903	5,871	24,601	31,176	816
Amortization.....	119,322	4,909	5,494	19,376	2,134	71,377	16,032	*47
Depreciation.....	8,533,590	650,945	425,379	2,404,201	2,101,169	1,549,640	1,402,256	44,530
Depletion.....	5,902	*608	*1	1,316	*93	827	3,057	—
Advertising.....	2,028,510	240,842	199,349	509,877	173,021	634,663	270,757	5,428
Pension, profit-sharing, stock bonus, and annuity plans.....	4,148,381	42,974	85,830	683,326	77,900	233,970	3,024,382	13,863
Employee benefit programs.....	1,413,286	95,628	62,888	396,925	96,259	105,563	656,022	7,609
Net loss, noncapital assets.....	48,707	3,991	3,929	17,762	4,604	5,203	13,218	*36
Other deductions.....	33,586,543	2,199,576	2,123,635	9,785,364	2,654,549	4,004,084	12,819,335	428,859
Total receipts less total deductions.....	12,037,922	1,278,503	665,761	3,636,586	920,297	1,874,568	3,662,206	155,321
Constructive taxable income from related foreign corporations.....	91,383	46	5,510	51,471	122	22,640	11,596	—
Net income.....	12,109,401	1,277,599	668,716	3,677,498	919,796	1,894,527	3,671,266	154,651
Income subject to tax.....	9,554,446	999,047	532,155	3,094,120	710,797	1,476,733	2,741,594	129,477
Income tax, total.....	3,315,934	404,780	182,917	1,122,675	217,663	605,045	782,854	38,293
Normal tax, surtax, and alternative tax.....	3,278,825	401,534	180,423	1,107,571	212,462	602,985	773,850	38,268
Tax from recomputing prior-year investment credit.....	34,977	2,752	2,393	14,541	5,193	1,532	8,564	*7
Tax from recomputing prior-year work incentive (WIN) credit.....	*359	—	*44	*52	(1)	—	*263	—
Additional tax for tax preferences.....	1,773	494	*57	511	*7	528	176	18
Foreign tax credit.....	142,072	5,539	5,406	61,646	*204	47,969	21,308	—
U.S. possessions tax credit.....	6,234	730	—	3,242	64	1,278	920	1,236
Investment credit.....	561,508	43,697	25,268	160,517	64,732	134,700	132,594	3,547
Work incentive (WIN) credit.....	4,811	192	701	2,372	*50	*197	1,299	*756
Jobs credit.....	186,234	12,601	6,370	65,096	13,615	9,098	79,455	*1,309
Distributions to stockholders.....								
Cash and property except in own stock.....	1,708,192	199,764	138,154	434,867	85,258	276,041	574,107	*11,547
Corporation's own stock.....	94,427	—	1,145	33,997	15	*31,306	27,963	—

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

\*Data deleted to avoid disclosure of information for specific corporations. Deleted data are included in the appropriate totals.

\*Less than \$500 per return.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 2.4. — Balance Sheets and Income Statements, by Size of Total Assets

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Total returns of active corporations	Size of total assets				
		Zero assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns</b> .....	<b>2,556,794</b>	<b>70,249</b>	<b>1,332,977</b>	<b>484,444</b>	<b>277,781</b>	<b>178,100</b>
<b>Total assets</b> .....	<b>6,835,056,963</b>	<b>—</b>	<b>46,407,354</b>	<b>78,146,722</b>	<b>98,006,851</b>	<b>124,432,798</b>
Cash.....	461,750,680	—	8,027,045	10,302,350	11,100,979	12,212,121
Notes and accounts receivable.....	1,814,195,947	—	6,373,645	13,778,635	19,101,158	26,853,114
Less: Allowance for bad debts.....	42,800,472	—	127,252	161,660	260,691	442,641
Inventories.....	503,033,064	—	6,521,499	13,155,654	18,794,144	26,300,986
Investments in Government obligations.....	—	—	—	—	—	—
United States.....	224,260,009	—	57,721	262,729	349,771	520,085
State and local.....	196,705,649	—	23,602	77,172	110,326	137,134
Other current assets.....	259,684,140	—	2,314,674	3,844,696	4,711,487	6,296,298
Loans to stockholders.....	25,429,489	—	1,983,725	2,394,619	1,931,526	1,689,641
Mortgage and real estate loans.....	840,876,064	—	456,345	955,341	1,412,589	1,670,415
Other investments.....	1,027,900,380	—	1,506,611	3,464,518	5,552,780	6,272,573
Depreciable assets.....	1,896,559,882	—	29,346,727	40,403,565	47,059,403	56,895,763
Less: Accumulated depreciation.....	697,645,652	—	14,826,444	19,033,681	21,750,053	26,154,406
Depletable assets.....	57,655,398	—	82,859	99,275	149,092	219,930
Less: Accumulated depletion.....	16,005,905	—	31,361	27,559	43,377	52,878
Land.....	85,080,153	—	2,264,520	5,169,191	6,467,836	8,343,209
Intangible assets (amortizable).....	37,394,782	—	642,692	713,634	770,902	775,616
Less: Accumulated amortization.....	15,126,876	—	302,578	313,200	310,149	255,962
Other assets.....	176,110,231	—	2,093,324	3,061,244	2,859,127	2,696,801
<b>Total liabilities</b> .....	<b>6,835,056,963</b>	<b>—</b>	<b>46,407,354</b>	<b>78,146,722</b>	<b>98,006,851</b>	<b>124,432,798</b>
Accounts payable.....	481,133,527	—	6,960,899	11,679,138	14,927,486	20,168,100
Mortgages, notes, and bonds payable in less than one year.....	452,181,682	—	5,234,499	8,863,994	11,833,588	18,167,519
Other current liabilities.....	2,582,916,809	—	4,832,274	6,091,580	7,100,394	9,657,729
Loans from stockholders.....	67,343,182	—	8,527,615	7,577,595	7,077,139	6,259,221
Mortgages, notes, and bonds payable in one year or more.....	884,636,968	—	8,683,513	15,418,344	19,704,711	25,327,068
Other liabilities.....	651,059,724	—	1,690,693	2,305,184	2,417,934	3,346,399
Capital stock.....	352,811,534	—	10,720,929	10,728,746	10,704,674	11,570,998
Paid-in or capital surplus.....	447,596,758	—	3,039,029	3,112,207	4,038,684	5,797,247
Retained earnings, appropriated.....	48,745,435	—	289,458	304,933	416,205	587,690
Retained earnings, unappropriated.....	910,521,567	—	2,025,715	13,808,606	21,775,944	25,854,981
Less: Cost of treasury stock.....	43,890,224	—	1,545,841	1,743,605	1,989,907	2,304,153
<b>Total receipts</b> .....	<b>5,598,689,129</b>	<b>45,952,258</b>	<b>186,677,431</b>	<b>199,241,753</b>	<b>229,887,975</b>	<b>281,975,657</b>
Business receipts.....	5,136,075,461	34,069,319	182,775,054	194,236,878	223,199,093	274,137,380
Interest on Government obligations.....	—	—	—	—	—	—
United States.....	19,508,285	367,341	42,706	28,192	38,065	72,540
State and local.....	10,872,462	60,635	1,923	4,462	6,490	14,702
Other interest.....	258,924,285	9,425,970	406,544	660,116	862,684	1,277,833
Rents.....	31,864,870	375,629	923,434	1,608,358	1,904,049	1,873,243
Royalties.....	8,437,908	37,540	69,200	46,594	116,499	52,440
Net short-term capital gain reduced by net long-term capital loss.....	1,207,729	12,044	20,833	38,437	59,856	47,929
Net long-term capital gain reduced by net short-term capital loss.....	19,958,447	217,644	438,817	370,014	548,160	579,878
Net gain, noncapital assets.....	15,378,796	310,782	442,300	391,192	769,059	865,535
Dividends received from domestic corporations.....	16,824,708	98,369	24,527	85,712	144,101	152,223
Dividends received from foreign corporations.....	12,713,087	83,965	*150	*219	2,401	3,711
Other receipts.....	66,923,091	893,022	1,531,943	1,771,581	2,237,517	2,898,244
<b>Total deductions</b> .....	<b>5,315,725,012</b>	<b>45,873,703</b>	<b>185,234,671</b>	<b>194,443,622</b>	<b>223,556,732</b>	<b>275,258,421</b>
Cost of sales and operations.....	3,709,672,825	24,622,759	99,750,891	123,305,071	159,134,082	204,740,395
Compensation of officers.....	97,221,581	548,255	23,462,532	14,672,956	10,774,967	9,922,517
Repairs.....	38,712,313	224,979	1,262,696	1,497,983	1,475,162	1,563,913
Bad debts.....	17,432,363	295,784	269,018	431,702	660,345	728,463
Rent paid on business property.....	63,517,369	909,501	6,393,086	4,768,452	3,864,863	3,618,379
Taxes paid.....	127,751,719	919,163	5,167,355	5,322,749	5,171,726	5,898,883
Interest paid.....	261,277,331	10,130,814	1,510,333	2,344,116	3,091,159	4,288,163
Contributions or gifts.....	2,288,334	8,515	32,140	47,242	58,805	73,595
Amortization.....	1,408,016	20,547	49,056	43,959	33,989	28,734
Depreciation.....	138,061,915	958,403	3,361,593	4,036,500	4,339,114	5,109,245
Depletion.....	7,817,359	66,136	10,897	20,940	28,452	46,479
Advertising.....	46,321,658	322,350	1,851,357	1,585,351	1,672,410	1,760,632
Pension, profit-sharing, stock bonus, and annuity plans.....	46,506,098	193,208	2,959,137	1,530,531	1,162,439	1,334,927
Employee benefit programs.....	33,620,835	199,086	845,261	766,327	817,641	1,031,712
Net loss, noncapital assets.....	4,072,020	112,106	114,785	78,846	80,348	106,330
Other deductions.....	720,043,275	6,342,096	38,194,533	33,990,895	31,191,232	35,006,052
Total receipts less total deductions.....	282,964,117	78,555	1,442,760	4,798,131	6,331,244	6,717,236
Constructive taxable income from related foreign corporations.....	12,524,077	34,722	—	—	*253	*3,621
Net income (less deficit).....	284,615,731	52,642	1,440,837	4,793,669	6,325,006	6,706,156
Net income.....	321,649,761	2,160,990	6,424,909	7,662,963	8,841,112	9,885,041
Deficit.....	37,034,030	2,108,348	4,984,072	2,869,294	2,516,106	3,178,885
Income subject to tax.....	279,376,063	1,643,992	3,378,362	5,495,023	6,653,246	7,754,455
Income tax, total.....	120,047,034	705,719	642,249	1,117,301	1,623,607	2,269,393
Normal tax, surtax, and alternative tax.....	118,860,300	680,432	628,451	1,099,169	1,594,384	2,239,619
Tax from recomputing prior-year investment credit.....	744,915	16,432	13,336	17,569	23,794	26,424
Tax from recomputing prior-year work incentive (WIN) credit.....	9,171	*2,442	—	*11	*3,714	*70
Additional tax for tax preferences.....	432,649	6,413	*462	*552	1,714	3,280
Foreign tax credit.....	36,827,331	44,587	*2,206	*457	*526	3,028
U.S. possessions tax credit.....	1,376,124	9,757	365	115	1,525	5,035
Investment credit.....	14,634,672	50,587	123,419	218,220	275,022	348,803
Work incentive (WIN) credit.....	27,934	76	*1,876	*1,166	1,352	3,040
Jobs credit.....	1,293,215	4,738	89,358	160,373	156,209	182,591
Travel, entertainment and gift expense.....	20,389,975	184,287	950,552	741,917	685,493	786,176
Distributions to stockholders.....	—	—	—	—	—	—
Cash and property except in own stock.....	86,613,794	1,713,035	1,361,301	753,522	935,134	948,051
Corporation's own stock.....	3,132,795	29,748	*5,570	30,795	23,216	27,757

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 2.4. — Balance Sheets and Income Statements, by Size of Total Assets — Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Size of total assets—Continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>Number of returns</b> .....	159,833	20,686	15,279	7,323	4,436	3,006	2,680
<b>Total assets</b> .....	323,465,726	144,147,198	241,328,163	258,255,879	310,782,886	462,157,605	4,747,925,980
Cash.....	25,360,594	9,601,143	16,420,969	15,744,804	16,508,739	20,967,107	315,504,829
Notes and accounts receivable.....	75,837,138	39,016,763	77,539,886	88,804,895	89,367,027	102,896,721	1,274,626,965
Less: Allowance for bad debts.....	1,544,250	943,413	1,590,432	2,290,256	3,300,573	5,221,212	26,918,093
Inventories.....	73,795,866	26,682,287	29,716,046	20,138,394	22,003,615	32,079,255	233,845,319
Investments in Government obligations:							
United States.....	2,590,764	4,371,722	13,688,055	17,443,223	17,516,310	22,778,706	144,680,923
State and local.....	931,529	1,498,351	8,271,115	13,926,877	14,522,873	18,748,106	138,458,565
Other current assets.....	17,670,668	7,667,613	10,505,733	8,920,690	10,692,832	16,871,350	169,988,098
Loans to stockholders.....	2,491,126	683,351	624,558	647,790	614,475	995,957	11,372,721
Mortgage and real estate loans.....	4,859,648	5,785,817	16,860,442	34,540,033	65,495,940	119,640,738	589,198,754
Other investments.....	20,075,645	11,472,052	21,770,112	23,592,817	34,032,408	62,596,477	837,109,389
Depreciable assets.....	135,705,160	51,728,193	60,584,283	45,025,231	50,256,981	83,863,128	1,295,691,447
Less: Accumulated depreciation.....	59,355,105	22,314,963	24,543,395	17,656,321	18,858,977	31,880,793	441,271,516
Depletable assets.....	1,134,005	696,420	1,214,314	1,266,888	1,833,969	2,664,788	48,293,860
Less: Accumulated depletion.....	294,412	191,110	320,350	384,156	474,027	640,379	13,546,296
Land.....	15,761,530	4,682,058	5,015,895	3,477,543	3,699,560	4,792,617	25,406,195
Intangible assets (amortizable).....	2,064,301	845,415	1,210,645	1,052,841	1,280,193	2,052,098	25,986,245
Less: Accumulated amortization.....	870,604	303,571	354,207	332,951	334,617	524,894	11,224,144
Other assets.....	7,252,123	2,969,070	4,714,496	4,337,336	5,926,158	9,477,835	130,722,717
<b>Total liabilities</b> .....	323,465,726	144,147,198	241,328,163	258,255,879	310,782,886	462,157,605	4,747,925,980
Accounts payable.....	54,180,330	20,089,860	22,440,788	15,002,176	16,339,905	24,160,086	275,184,757
Mortgages, notes, and bonds payable in less than one year.....	51,772,876	19,346,828	22,510,539	18,373,477	21,025,732	23,197,821	251,854,808
Other current liabilities.....	30,954,580	28,837,001	90,564,431	131,349,170	156,065,657	229,067,367	1,886,376,627
Loans from stockholders.....	9,240,095	2,134,820	1,747,849	1,388,247	1,737,952	1,725,019	19,927,630
Mortgages, notes, and bonds payable in one year or more.....	63,237,759	23,935,280	30,040,049	24,605,860	31,504,851	46,983,958	595,195,575
Other liabilities.....	10,131,554	5,853,404	9,298,531	10,324,130	15,181,696	29,948,929	560,561,271
Capital stock.....	22,254,032	8,069,455	13,846,756	10,795,110	11,080,299	17,925,599	225,114,935
Paid-in or capital surplus.....	15,037,487	8,012,934	13,252,497	15,637,009	22,007,809	37,153,731	320,508,124
Retained earnings, appropriated.....	1,872,790	750,176	1,249,321	1,300,545	1,798,398	3,013,659	37,361,720
Retained earnings, unappropriated.....	70,401,914	28,712,596	38,227,653	30,833,729	33,414,930	52,135,627	597,381,301
Less: Cost of treasury stock.....	5,417,691	1,595,156	1,870,251	1,353,776	1,374,883	3,154,191	21,540,769
<b>Total receipts</b> .....	701,469,862	244,933,865	264,086,039	191,026,457	211,200,889	299,038,115	2,743,196,825
Business receipts.....	681,843,941	236,062,764	247,958,101	172,307,667	188,578,629	266,141,582	2,434,765,051
Interest on Government obligations:							
United States.....	249,954	386,875	1,155,905	1,446,997	1,470,137	1,907,813	12,341,762
State and local.....	88,337	89,829	412,669	656,987	727,937	927,486	7,881,007
Other interest.....	3,733,376	2,552,085	7,661,250	11,289,988	14,175,453	21,009,173	185,869,814
Rents.....	4,039,331	1,499,886	1,539,721	1,061,953	1,005,547	1,314,809	14,718,911
Royalties.....	447,521	225,480	217,835	171,031	212,765	465,833	6,375,171
Nat short-term capital gain reduced by net long-term capital loss.....	133,392	46,361	77,267	53,938	97,333	112,809	507,530
Nat long-term capital gain reduced by net short-term capital loss.....	1,809,011	640,804	983,276	710,425	921,454	1,391,619	11,347,346
Nat gain, noncapital assets.....	1,949,745	710,217	891,543	640,190	701,132	928,479	6,778,623
Dividends received from domestic corporations.....	516,309	292,616	524,682	481,163	836,518	1,157,539	12,510,948
Dividends received from foreign corporations.....	38,591	49,045	80,862	113,894	164,197	500,665	11,675,387
Other receipts.....	6,620,354	2,377,904	2,582,928	2,092,224	2,309,788	3,180,309	38,427,277
<b>Total deductions</b> .....	681,882,701	236,723,495	252,831,371	161,771,742	200,440,834	283,193,599	2,554,734,122
Cost of sales and operations.....	526,534,538	183,119,256	190,538,620	127,913,439	142,490,937	196,428,220	1,731,094,617
Compensation of officers.....	18,335,837	3,698,124	3,460,442	2,047,837	1,809,208	2,080,528	8,408,378
Repairs.....	3,308,933	1,117,625	1,190,881	896,479	1,073,757	1,832,944	23,266,861
Bad debts.....	1,777,956	617,122	839,560	1,040,610	961,752	1,124,640	8,685,412
Rent paid on business property.....	8,656,496	2,235,385	2,498,443	1,837,889	1,953,538	3,173,245	25,608,091
Taxes paid.....	13,031,337	4,513,561	4,824,708	3,788,299	4,229,107	5,946,475	68,938,355
Interest paid.....	11,734,059	5,115,783	8,772,720	10,219,078	13,015,573	18,873,501	172,182,032
Contributions or gifts.....	209,807	91,648	114,736	98,464	92,079	138,506	1,322,796
Amortization.....	127,440	115,050	50,591	44,114	58,793	117,699	718,044
Depreciation.....	12,169,575	4,505,755	5,191,947	3,561,646	3,881,559	6,058,632	84,887,945
Depletion.....	249,574	120,483	206,375	172,015	215,309	458,769	6,221,930
Advertising.....	4,488,276	1,642,601	1,900,988	1,544,099	1,883,310	3,002,395	24,667,889
Pension, profit-sharing, stock bonus, and annuity plans.....	3,281,386	1,096,864	1,296,345	949,128	1,147,990	1,988,660	29,565,284
Employee benefit programs.....	2,782,132	1,076,810	1,272,957	1,005,335	1,208,037	1,834,286	20,781,251
Net loss, noncapital assets.....	376,132	99,143	196,720	166,833	590,021	933,982	1,216,772
Other deductions.....	78,599,223	27,558,283	30,475,238	26,486,476	25,829,866	39,200,917	347,168,463
<b>Total receipts less total deductions</b> .....	19,807,162	8,210,370	11,254,669	9,254,715	10,760,055	15,844,516	188,464,704
Constructive taxable income from related foreign corporations.....	12,114	20,431	49,452	96,435	122,483	376,981	11,807,586
<b>Net income (less deficit)</b> .....	19,793,938	8,140,972	10,891,452	8,694,163	10,154,601	15,294,011	192,391,283
Net income.....	25,283,686	10,244,270	13,159,537	10,471,421	11,502,226	17,298,581	198,715,027
Deficit.....	5,552,748	2,103,298	2,268,085	1,777,258	1,347,625	2,004,570	6,323,744
<b>Income subject to tax</b> .....	20,875,372	8,450,816	10,732,944	8,516,885	9,003,240	14,039,972	182,831,755
<b>Income tax, total</b> .....	8,077,274	3,643,590	4,711,477	3,793,656	4,033,753	6,343,707	83,085,308
Normal tax, surtax, and alternative tax.....	7,976,483	3,607,616	4,661,507	3,753,202	3,989,377	6,275,890	82,354,169
Tax from recomputing prior-year investment credit.....	78,457	27,229	31,780	22,307	20,129	30,949	436,510
Tax from recomputing prior-year work incentive (WIN) credit.....	1,934	*18	50	71	11	411	438
Additional tax for tax preferences.....	20,400	8,727	18,141	18,075	24,236	36,457	294,191
Foreign tax credit.....	18,175	29,728	84,790	103,487	208,918	446,626	35,884,803
U.S. possessions tax credit.....	56,963	66,263	199,591	217,135	189,508	411,591	218,276
Investment credit.....	902,854	348,918	409,297	311,571	351,584	567,349	10,726,768
Work incentive (WIN) credit.....	5,139	1,411	1,356	1,070	1,093	1,057	9,297
Jobs credit.....	376,212	94,667	85,952	34,621	24,263	27,689	56,543
Travel, entertainment and gift expense.....	1,858,096	785,991	975,680	681,322	837,272	1,231,427	10,671,762
Distributions to stockholders:							
Cash and property except in own stock.....	2,504,487	1,335,950	2,262,302	2,373,039	2,626,575	5,102,092	64,698,307
Corporation's own stock.....	174,428	71,608	199,180	238,311	220,629	453,645	1,657,908

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS WITH NET INCOME

Table 2.5 — Balance Sheets and Income Statements, by Size of Total Assets

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Total returns with net income	Size of total assets				
		Zero assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
(1)	(2)	(3)	(4)	(5)	(6)	
<b>Number of returns</b> .....	<b>1,586,485</b>	<b>23,936</b>	<b>709,898</b>	<b>339,977</b>	<b>209,487</b>	<b>134,873</b>
<b>Total assets</b> .....	<b>6,048,581,283</b>	<b>—</b>	<b>28,077,172</b>	<b>55,180,371</b>	<b>73,979,865</b>	<b>94,141,041</b>
Cash.....	425,233,964	—	5,909,105	8,513,711	9,701,025	10,382,388
Notes and accounts receivable.....	1,647,209,506	—	3,813,599	10,372,525	15,622,516	21,891,739
Less: Allowance for bad debts.....	37,924,097	—	30,952	126,333	208,053	315,048
Inventories.....	427,610,698	—	3,619,542	9,213,230	14,191,823	19,990,741
Investments in Government obligations						
United States.....	199,101,374	—	51,752	244,469	279,595	484,543
State and local.....	178,594,391	—	18,437	57,050	99,387	120,687
Other current assets.....	220,558,220	—	1,365,458	2,403,782	3,295,128	4,352,823
Loans to stockholders.....	21,338,041	—	1,320,992	1,636,453	1,479,446	1,250,784
Mortgage and real estate loans.....	728,547,569	—	327,976	690,061	1,030,844	1,287,702
Other investments.....	942,911,133	—	1,010,487	2,692,574	4,060,229	5,232,855
Depreciable assets.....	1,625,541,871	—	16,827,414	27,809,990	34,611,951	41,365,760
Less: Accumulated depreciation.....	604,034,092	—	8,787,002	13,794,310	17,006,246	19,854,691
Depletable assets.....	50,809,866	—	46,567	57,116	79,215	87,122
Less: Accumulated depletion.....	14,453,244	—	19,134	17,715	38,954	23,356
Land.....	63,402,821	—	1,211,701	3,137,013	4,519,641	5,561,780
Intangible assets (amortizable).....	32,769,248	—	273,970	451,470	468,718	564,430
Less: Accumulated amortization.....	13,649,918	—	123,679	197,766	204,907	197,337
Other assets.....	155,013,913	—	1,240,939	2,037,049	1,998,508	1,958,121
<b>Total liabilities</b> .....	<b>6,048,581,263</b>	<b>—</b>	<b>28,077,172</b>	<b>55,180,371</b>	<b>73,979,865</b>	<b>94,141,041</b>
Accounts payable.....	409,866,594	—	3,279,673	7,591,478	10,811,387	15,311,421
Mortgages, notes, and bonds payable in less than one year.....	360,537,705	—	2,428,779	4,539,681	7,183,858	11,066,953
Other current liabilities.....	2,319,530,905	—	2,794,388	4,591,859	5,632,575	6,221,582
Loans from stockholders.....	42,818,047	—	3,110,591	3,925,827	3,841,253	3,452,973
Mortgages, notes, and bonds payable in one year or more.....	714,847,151	—	3,665,203	8,715,790	12,109,679	15,353,400
Other liabilities.....	608,456,367	—	740,121	1,451,900	1,639,398	2,324,791
Capital stock.....	291,463,830	—	4,888,750	7,224,002	7,490,887	8,217,015
Paid-in or capital surplus.....	386,195,726	—	1,126,779	1,724,772	2,137,748	3,141,759
Retained earnings, appropriated.....	44,814,709	—	143,612	291,338	383,458	475,650
Retained earnings, unappropriated.....	909,247,170	—	6,740,766	16,544,818	24,324,858	29,056,765
Less: Cost of treasury stock.....	39,196,931	—	841,492	1,421,095	1,575,236	1,881,268
<b>Total receipts</b> .....	<b>4,890,972,248</b>	<b>26,123,263</b>	<b>124,892,739</b>	<b>152,018,630</b>	<b>189,723,775</b>	<b>231,676,359</b>
Business receipts.....	4,480,995,505	21,467,996	122,112,794	148,014,399	184,278,568	225,463,672
Interest on Government obligations						
United States.....	17,233,966	156,176	35,292	25,610	31,984	66,950
State and local.....	9,781,990	22,511	1,750	2,922	5,244	13,485
Other interest.....	228,102,667	3,139,190	287,698	534,943	739,863	1,024,029
Rents.....	26,384,319	157,055	557,344	1,315,803	1,443,134	1,498,055
Royalties.....	7,856,765	28,815	53,089	21,530	106,052	43,554
Net short-term capital gain reduced by net long-term capital loss.....	1,082,003	10,433	15,798	33,872	54,309	39,760
Net long-term capital gain reduced by net short-term capital loss.....	18,647,325	193,563	333,306	324,620	484,172	481,786
Net gain, noncapital assets.....	13,050,392	244,559	375,802	308,441	689,053	709,348
Dividends received from domestic corporations.....	16,078,682	93,506	22,405	76,627	131,087	147,717
Dividends received from foreign corporations.....	12,529,263	76,011	1,150	2,219	2,401	3,079
Other receipts.....	59,229,371	533,447	1,097,670	1,359,643	1,757,907	2,184,924
<b>Total deductions</b> .....	<b>4,571,891,480</b>	<b>23,974,386</b>	<b>118,466,080</b>	<b>144,352,746</b>	<b>180,877,425</b>	<b>221,781,454</b>
Cost of sales and operations.....	3,211,792,067	14,879,105	64,785,441	92,291,420	130,655,163	166,298,299
Compensation of officers.....	79,862,905	346,511	16,432,899	11,897,849	9,223,624	8,270,145
Repairs.....	33,794,845	124,400	744,316	967,297	1,139,204	1,125,449
Bad debts.....	13,992,871	102,558	117,589	286,707	425,885	556,770
Rent paid on business property.....	51,356,143	351,724	3,874,421	3,403,836	2,993,303	2,777,926
Taxes paid.....	111,723,511	558,059	3,256,458	3,943,461	4,176,510	4,771,086
Interest paid.....	215,849,695	3,062,052	745,084	1,344,811	1,981,248	2,694,552
Contributions or gifts.....	2,271,470	7,021	31,114	46,535	58,551	73,352
Amortization.....	1,110,356	14,842	25,549	18,862	15,485	16,734
Depreciation.....	118,587,277	525,574	1,970,684	2,794,715	3,262,472	3,806,906
Depletion.....	7,265,919	37,738	9,441	17,704	26,719	39,807
Advertising.....	39,598,080	181,011	951,631	1,132,760	1,241,238	1,348,498
Pension, profit-sharing, stock bonus, and annuity plans.....	42,449,899	138,763	2,289,868	1,360,064	1,028,002	1,243,747
Employee benefit programs.....	28,980,096	130,509	592,848	579,436	663,886	852,863
Net loss, noncapital assets.....	1,967,452	15,053	16,546	29,091	21,883	27,491
Other deductions.....	611,288,895	3,499,467	22,622,192	24,238,196	23,964,252	27,337,828
<b>Total receipts less total deductions</b> .....	<b>319,080,768</b>	<b>2,148,877</b>	<b>6,426,659</b>	<b>7,665,884</b>	<b>8,846,350</b>	<b>9,894,905</b>
Constructive taxable income from related foreign corporations.....	12,350,983	34,624	—	—	6	3,621
<b>Net income</b> .....	<b>321,649,761</b>	<b>2,160,990</b>	<b>6,424,909</b>	<b>7,662,963</b>	<b>8,841,112</b>	<b>9,885,041</b>
Income subject to tax.....	279,372,960	1,643,992	3,378,362	5,495,022	6,653,246	7,754,455
Income tax, total.....	119,962,125	700,164	637,489	1,112,505	1,618,950	2,265,119
Normal tax, surtax, and alternative tax.....	118,859,135	680,432	628,451	1,099,169	1,594,384	2,239,619
Tax from recomputing prior-year investment credit.....	684,129	12,755	8,576	12,773	19,137	22,193
Tax from recomputing prior-year work incentive (WIN) credit.....	9,151	2,442	—	*11	*3,714	*70
Additional tax for tax preferences.....	409,710	4,535	*462	*552	1,714	3,237
Foreign tax credit.....	36,827,303	44,587	*2,206	*457	*526	3,028
U.S. possessions tax credit.....	1,376,124	9,757	365	115	1,525	5,035
Investment credit.....	14,634,207	50,587	123,419	218,220	275,302	348,803
Work incentive (WIN) credit.....	27,934	76	*1,876	*1,166	1,352	3,040
Jobs credit.....	1,293,144	4,738	89,358	160,373	156,209	182,591
Travel, entertainment and gift expense.....	17,608,472	125,486	569,541	541,788	529,157	618,139
Distributions to stockholders.....						
Cash and property except in own stock.....	82,395,698	1,531,125	1,291,933	719,955	912,958	929,513
Corporation's own stock.....	2,913,306	16,244	*5,570	30,775	23,181	23,132

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS WITH NET INCOME

Table 2.5 — Balance Sheets and Income Statements, by Size of Total Assets — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Size of total assets — Continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>Number of returns</b> .....	124,927	15,972	12,509	6,268	3,776	2,554	2,308
<b>Total assets</b> .....	252,458,421	111,829,169	198,424,801	221,174,639	263,534,360	393,120,975	4,356,660,450
Cash.....	22,270,026	8,131,098	14,398,017	14,093,945	14,441,611	18,037,750	299,355,288
Notes and accounts receivable.....	63,823,015	32,294,131	67,569,258	78,945,884	77,546,475	86,940,885	1,188,389,480
Less: Allowance for bad debts.....	1,209,232	628,971	1,321,698	1,981,308	2,943,853	4,691,108	24,467,541
Inventories.....	58,565,983	21,495,070	23,233,259	16,245,105	18,017,269	26,508,331	216,530,345
Investments in Government obligations.....							
United States.....	2,362,522	3,921,579	12,743,501	15,914,758	15,555,522	19,448,297	128,094,835
State and local.....	800,837	1,353,060	7,788,191	12,712,272	12,778,720	15,701,164	127,164,586
Other current assets.....	12,348,827	5,627,832	7,844,902	6,599,958	8,461,279	13,408,486	154,849,746
Loans to stockholders.....	1,974,226	489,953	442,581	498,933	402,371	799,144	11,043,158
Mortgage and real estate loans.....	3,309,597	3,614,337	14,490,407	31,229,472	58,765,569	106,524,322	507,277,283
Other investments.....	15,587,032	8,495,505	17,059,501	19,154,576	27,563,791	53,747,801	788,306,782
Depreciable assets.....	102,755,538	38,823,568	45,867,799	35,487,485	40,018,506	69,487,050	1,172,486,812
Less: Accumulated depreciation.....	47,112,654	17,528,046	19,403,633	14,416,480	15,549,268	26,868,004	403,713,758
Depletable assets.....	756,160	376,788	698,261	885,163	1,126,729	1,949,885	44,786,861
Less: Accumulated depletion.....	259,544	82,298	232,908	292,164	365,980	464,730	12,656,462
Land.....	10,390,046	3,122,465	3,415,458	2,576,652	2,636,900	3,940,473	22,890,693
Intangible assets (amortizable).....	1,283,397	559,725	763,301	644,220	901,583	1,677,932	25,180,501
Less: Accumulated amortization.....	589,522	227,448	210,834	186,071	223,807	423,902	11,064,643
Other assets.....	5,402,169	2,030,821	3,279,438	3,062,240	4,400,945	7,397,199	122,206,483
<b>Total liabilities</b> .....	252,458,421	111,829,169	198,424,801	221,174,639	263,534,360	393,120,975	4,356,660,450
Accounts payable.....	43,580,715	15,537,318	17,043,739	11,817,993	13,073,460	19,143,729	252,675,681
Mortgages, notes, and bonds payable in less than one year.....	34,700,484	12,831,384	14,622,093	12,871,376	15,243,456	17,133,539	227,916,101
Other current liabilities.....	25,271,953	23,132,135	82,327,278	119,690,780	141,079,468	198,485,828	1,708,903,058
Loans from stockholders.....	5,287,872	949,551	876,082	801,287	882,240	1,165,129	18,525,242
Mortgages, notes, and bonds payable in one year or more.....	40,086,721	15,483,300	19,137,204	16,727,132	22,213,539	34,756,011	526,599,172
Other liabilities.....	7,252,821	3,923,218	6,846,217	8,000,063	11,751,103	26,244,976	538,281,759
Capital stock.....	16,585,539	6,098,936	10,566,997	8,747,363	8,870,106	15,511,451	197,262,783
Paid-in or capital surplus.....	8,578,586	5,178,676	9,236,608	11,838,649	17,138,928	29,316,407	296,776,814
Retained earnings, appropriated.....	1,467,374	639,240	1,141,959	1,181,970	1,591,440	2,711,832	34,786,826
Retained earnings, unappropriated.....	74,155,899	29,328,182	38,224,267	30,686,968	32,850,911	51,366,569	575,967,167
Less: Cost of treasury stock.....	4,509,544	1,272,770	1,597,643	1,188,943	1,160,291	2,714,497	21,034,153
<b>Total receipts</b> .....	591,970,094	200,665,455	217,668,784	159,050,249	174,597,787	257,739,252	2,564,845,861
Business receipts.....	576,034,234	193,432,678	203,932,856	142,792,322	154,991,479	228,987,047	2,279,487,458
Interest on Government obligations.....							
United States.....	224,305	352,527	1,074,844	1,318,627	1,306,779	1,641,520	10,997,352
State and local.....	78,230	73,955	384,725	594,602	614,682	749,816	7,240,069
Other interest.....	3,023,530	2,136,884	6,789,351	10,197,586	12,531,795	18,485,147	169,212,650
Rents.....	2,994,957	1,126,511	1,135,974	766,379	721,664	1,030,933	13,636,511
Royalties.....	362,381	190,680	178,988	123,497	175,858	419,521	6,152,799
Net short-term capital gain reduced by net long-term capital loss.....	101,551	38,971	62,485	46,094	85,027	106,177	487,524
Net long-term capital gain reduced by net short-term capital loss.....	1,630,403	575,460	872,968	624,095	814,334	1,282,509	11,030,107
Net gain, noncapital assets.....	1,580,894	544,348	715,063	469,290	570,250	757,304	6,086,040
Dividends received from domestic corporations.....	491,119	270,779	465,503	432,550	759,753	1,070,763	12,117,235
Dividends received from foreign corporations.....	38,069	32,354	74,437	91,213	145,170	490,543	11,575,618
Other receipts.....	5,410,422	1,890,308	1,981,590	1,593,993	1,878,996	2,717,973	36,822,498
<b>Total deductions</b> .....	566,620,292	190,367,662	204,170,752	148,074,663	162,590,855	240,063,808	2,370,551,358
Cost of sales and operations.....	442,513,599	148,122,056	154,958,382	104,133,665	115,295,119	167,209,039	1,610,650,779
Compensation of officers.....	14,394,752	3,148,477	2,923,382	1,753,668	1,526,866	1,778,944	7,715,787
Repairs.....	2,667,757	872,498	962,500	743,629	896,793	1,596,136	21,864,867
Bad debts.....	1,312,570	423,861	580,408	555,632	690,190	897,194	8,043,507
Rent paid on business property.....	5,143,778	1,730,917	1,890,667	1,412,411	1,601,022	2,726,247	23,449,890
Taxes paid.....	10,895,753	3,768,362	3,960,600	3,247,594	3,600,540	5,177,737	64,367,352
Interest paid.....	7,861,979	3,565,152	6,698,797	8,378,770	10,673,671	15,585,239	153,258,341
Contributions or gifts.....	207,618	89,352	114,284	95,131	91,901	137,991	1,318,620
Amortization.....	80,559	94,679	31,616	26,177	45,679	70,123	670,050
Depreciation.....	9,281,848	3,447,947	3,908,798	2,768,512	3,069,095	5,040,019	78,710,706
Depletion.....	228,763	100,076	179,780	145,785	165,633	413,016	5,901,459
Advertising.....	3,422,476	1,216,705	1,545,575	1,242,439	1,617,767	2,558,957	23,139,022
Pension, profit-sharing, stock bonus, and annuity plans.....	3,026,751	995,212	1,119,167	833,120	992,348	1,750,538	27,672,318
Employee benefit programs.....	2,245,569	877,306	1,021,267	808,860	986,768	1,478,320	18,742,463
Net loss, noncapital assets.....	198,285	43,231	87,113	94,306	462,223	138,106	834,122
Other deductions.....	63,138,235	21,871,830	24,188,416	21,834,964	20,875,240	33,506,202	324,212,075
<b>Total receipts less total deductions</b> .....	25,349,802	10,297,793	13,498,032	10,975,586	12,006,933	17,675,444	194,294,503
Constructive taxable income from related foreign corporations.....	12,113	20,431	46,229	90,438	109,976	372,953	11,660,593
<b>Net income</b> .....	25,283,686	10,244,270	13,159,537	10,471,421	11,502,226	17,298,581	198,715,027
Income subject to tax.....	20,874,982	8,450,816	10,732,740	8,516,885	9,002,945	14,039,923	182,829,590
Income tax, total.....	8,064,091	3,637,205	4,704,431	3,790,203	4,030,207	6,337,601	83,064,160
Normal tax, surtax, and alternative tax.....	7,976,344	3,607,616	4,661,433	3,753,202	3,989,279	6,275,868	82,353,336
Tax from recomputing prior-year investment credit.....	66,084	21,717	25,716	19,681	17,751	26,377	431,366
Tax from recomputing prior-year work incentive (WIN) credit.....	1,934	116	49	56	11	411	438
Additional tax for tax preferences.....	19,728	7,855	17,233	17,263	23,165	34,945	279,021
Foreign tax credit.....	18,175	29,728	84,790	103,487	208,918	446,626	35,884,776
U.S. possessions tax credit.....	56,963	66,263	199,591	217,135	189,508	411,591	218,276
Investment credit.....	902,853	348,918	409,293	311,571	351,514	567,326	10,726,401
Work incentive (WIN) credit.....	5,139	1,411	1,356	1,070	1,093	1,057	9,297
Jobs credit.....	376,211	94,667	85,952	34,621	24,263	27,689	56,474
Travel, entertainment and gift expense.....	1,497,876	630,650	760,993	542,774	699,982	1,070,105	10,021,983
Distributions to stockholders.....							
Cash and property except in own stock.....	2,378,285	1,293,559	2,107,328	2,239,038	2,430,249	4,695,059	61,866,696
Corporation's own stock.....	156,859	66,544	188,465	227,062	207,812	412,624	1,555,037

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

Footnotes at end of table See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 2.6 — Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Total Assets — Continued

ALL figures are estimates based on samples — money amounts are in thousands of dollars]

All figures are estimates based on samples — money amounts in \$ millions or \$ billions														
Industrial division, item	Size of total assets													
	Total returns of active corporations	Zero assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 under \$500,000,000	\$500,000,000 or more
Mining														
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)		
Number of returns	961	8,465	4,854	2,619	2,608	3,352	472	296	107	81	53	51		
Total assets	—	290,086	767,312	950,077	1,798,562	7,052,626	3,181,350	4,650,330	3,754,381	5,686,540	8,179,401	78,816,031		
Notes and accounts receivable, net	—	35,629	81,760	127,607	179,506	705,269	603,818	859,600	581,883	1,032,327	897,521	19,327,106		
Inventories	—	16,678	8,765	38,628	93,407	1,303,922	635,627	207,602	172,039	222,381	372,978	3,589,862		
Cash, Government obligations, and other current assets	10,562,338	80,651	191,267	243,499	126,526	1,503,922	667,038	723,411	520,337	647,014	838,167	5,069,778		
Other investments and loans	25,453,419	124,948	32,516	57,926	146,569	1,997,896	321,397	524,468	505,116	674,014	1,542,043	20,948,207		
Depreciable assets	54,233,992	71,573	52,331	67,926	146,569	1,997,896	321,397	524,468	505,116	674,014	1,542,043	20,948,207		
Less: Accumulated depreciation	20,068,162	106,850	210,110	268,616	775,314	2,221,660	1,768,946	1,556,704	1,874,029	2,702,761	1,634,262	11,162,678		
Other capital assets less reserves	10,676,227	16,104	49,718	103,388	189,185	812,925	379,839	792,932	712,558	1,123,588	1,336,324	5,162,286		
Accounts and notes payable	15,692,390	81,216	362,346	218,655	684,115	1,916,444	865,376	1,086,932	605,451	933,896	1,436,820	7,580,486		
Other current liabilities	19,241,956	28,070	136,107	130,460	123,987	544,546	486,253	363,063	382,012	566,694	813,616	15,842,602		
Mortgages, notes, and bonds payable in one year or more	51,123,954	5,718	136,107	130,460	339,226	1,283,937	530,591	1,058,469	899,080	1,254,466	2,148,022	13,996,207		
Additional tax for tax preferences	21,923,353	57,718	24,197	436,653	488,505	2,593,120	884,841	1,876,983	1,611,762	2,243,055	3,146,236	37,602,678		
Net worth	6,127,038	31,236	129,269	143,696	250,554	864,132	389,812	473,922	281,059	437,943	659,937	2,273,072		
Total of property used for investment credit	176,413	1,316	1,296	1,316	1,316	1,316	1,316	1,316	1,316	1,316	1,316	1,316		
Total receipts	132,542,644	1,115,919	1,899,326	1,556,574	2,446,016	7,818,082	2,889,425	3,826,656	2,837,753	4,766,333	4,463,087	97,845,098		
Business receipts	127,454,324	1,087,258	1,864,465	1,526,230	2,286,493	7,226,918	2,730,768	3,521,403	2,571,570	4,352,346	4,078,890	92,320,835		
Cost of sales and operations	60,225,463	815,667	1,052,301	590,340	1,374,341	4,576,463	1,796,861	2,300,462	1,578,978	2,889,545	2,595,381	39,864,429		
Taxes paid	2,759,176	28,612	75,901	50,165	93,394	230,609	82,719	109,922	104,948	121,259	175,045	1,217,255		
Interest paid	4,077,060	7,930	40,573	21,376	70,602	254,456	99,389	164,204	121,889	194,145	295,285	1,391,116		
Depreciation	115,096	26,942	72,128	75,366	174,523	1,745,232	180,320	274,977	157,745	218,344	311,171	1,922,216		
Pension, profit-sharing, stock bonus, and annuity plans	518,570	14,768	662	976	14,512	39,704	14,271	16,885	27,064	22,693	27,618	337,476		
Employee benefit programs	43,058,598	292	12,815	3,252	10,874	39,317	15,166	20,361	26,109	26,109	67,418	238,607		
Net income (less deficit)	276,945	-31,092	-20,590	84,713	232,993	60,298	178,839	199,049	375,236	375,236	112,393	41,708,059		
Net income	44,889,763	57,299	59,266	131,691	142,791	215,857	298,205	304,295	304,295	514,918	306,388	41,967,087		
Income subject to tax	24,043,751	341,354	30,861	65,219	194,172	451,740	187,422	248,586	281,660	462,969	274,139	41,642,860		
Income tax, total	40,210,019	113,924	17,180	30,004	100,004	189,966	85,284	113,667	131,500	212,968	127,079	19,167,113		
Additional tax for tax preferences	98,979	—	415	*926	*2,073	12,769	4,343	7,691	6,199	7,341	7,341	47,244		
Foreign tax credit	18,716,612	17,590	( )	—	—	*1,769	*1,309	13,733	17,213	62,508	41,142	18,563,348		
Investment credit	270,126	*670	3,476	3,618	4,942	36,603	19,187	17,594	18,394	20,403	21,394	114,936		
Nonrefundable business energy credit after limitation	3,130	—	—	—	—	—	—	201	181	315	56	2,577		
Jobs credit	84	—	—	*1,190	*1,164	4,526	3,754	201	653	503	144	56		
Distributions to stockholders except in own stock	3,239,424	289,243	*113,338	*46,098	*137,48	64,321	22,238	34,751	180,456	135,025	83,193	2,247,480		
Construction														
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)		
Number of returns	3,663	131,304	46,758	28,971	20,004	16,505	1,603	755	188	82	32	22		
Total assets	123,261,127	4,457,656	7,684,512	10,200,232	13,981,225	32,720,227	10,987,626	11,285,972	6,367,593	5,807,745	4,973,985	14,894,354		
Notes and accounts receivable, net	34,234,201	934,816	1,220,592	2,805,908	4,179,906	9,929,950	3,498,462	3,294,265	1,589,441	1,480,294	1,254,001	3,111,020		
Inventories	21,078,815	882,473	1,220,592	2,805,908	4,179,906	9,929,950	3,498,462	3,294,265	1,589,441	1,480,294	1,254,001	3,111,020		
Cash, Government obligations, and other current assets	26,682,003	982,473	1,220,592	2,805,908	4,179,906	9,929,950	3,498,462	3,294,265	1,589,441	1,480,294	1,254,001	3,111,020		
Other investments and loans	43,468,009	439,863	467,330	636,773	664,623	1,963,586	867,959	792,083	657,890	795,021	661,201	2,896,916		
Depreciable assets	20,989,687	2,649,176	3,132,168	4,091,743	4,091,743	11,564,573	3,758,152	3,478,703	1,920,033	1,500,544	1,661,199	4,573,406		
Less: Accumulated depreciation	1,327,366	1,327,366	1,573,616	1,991,547	2,566,413	5,944,128	2,058,324	1,747,428	864,552	686,692	676,759	1,352,570		
Other capital assets less reserves	47,786,075	120,509	309,935	480,968	572,848	1,287,031	392,143	346,988	298,866	170,034	255,376	551,357		
Accounts and notes payable	43,766,937	1,698,417	2,970,166	3,807,640	5,729,050	12,660,069	4,113,533	3,927,450	1,856,973	1,787,579	1,985,874	3,667,678		
Other current liabilities	19,043,010	671,646	685,961	1,084,853	1,541,800	4,825,735	1,773,969	2,085,402	1,190,434	694,258	694,258	3,299,416		
Mortgages, notes, and bonds payable in one year or more	19,032,360	661,763	1,120,740	1,428,464	1,939,409	5,671,922	1,647,176	1,585,420	1,079,687	894,121	894,121	3,958,466		
Net worth	29,439,188	539,269	2,054,297	3,078,852	3,684,039	8,056,795	2,227,512	2,266,450	1,264,947	906,911	1,401,542	2,396,574		
Cost of property used for investment credit	7,453,890	641,148	587,166	787,000	1,023,733	1,765,542	498,223	518,676	233,420	233,420	210,046	974,282		
Total receipts	252,852,706	1,127,539	22,541,164	26,102,936	32,389,608	69,531,011	18,378,833	17,370,269	7,500,547	6,466,719	7,381,437	21,812,663		
Business receipts	246,800,363	1,101,040	22,084,474	25,729,313	31,849,205	68,080,654	17,816,652	16,823,165	7,131,278	6,149,064	7,001,494	20,730,360		
Cost of sales and operations	199,975,173	960,753	16,661,543	19,595,371	25,211,263	55,296,539	15,296,959	14,475,648	6,317,459	5,367,925	6,032,370	18,022,362		
Taxes paid	5,313,422	11,536	633,925	300,714	814,162	1,404,464	329,745	316,983	122,088	97,347	79,068	528,605		
Interest paid	3,483,176	10,706	174,413	378,673	378,673	823,594	253,277	362,984	180,866	122,268	134,868	464,957		
Depreciation	1,194,796	12,154	390,020	489,557	562,394	1,186,286	343,472	333,690	142,253	106,208	134,868	464,957		
Pension, profit-sharing, stock bonus, and annuity plans	5,640	793	36,623	51,641	149,232	86,719	88,719	92,790	35,115	21,283	33,573	128,656		
Employee benefit programs	5,985,390	2,470	119,148	143,071	181,814	363,021	82,238	71,386	31,933	33,256	35,977	76,896		
Net income (less deficit)	8,903,932	-2,470	20,606	527,794	514,830	1,894,097	448,391	426,960	190,368	274,806	354,977	627,808		
Net income	7,250,471	42,967	745,650	825,871	1,140,797	2,369,508	583,570	563,570	261,371	378,516	364,567	734,588		
Income subject to tax	29,232	385,090	588,976	790,367	928,424	2,007,008	535,200	500,765	297,207	147,685	347,531	702,620		
Income tax, total	2,545,393	9,394	121,235	194,119	268,215	777,630	228,723	244,426	105,805	66,938	158,491	323,565		
Additional tax for tax preferences	5,589	12	—	*60	*175	1,143	428	604	628	80	628	1,464		
Foreign tax credit	169,840	—	—	—	—	*204	5371	3,465	2,671	57,608	100,507	100,507		
Investment credit	366,108	1,637	23,957	34,070	50,194	115,461	33,615	30,201	12,361	7,516	14,756	26,020		
Nonrefundable business energy credit after limitations	848	—	—	*51	*153	1,153	12	72	14	1	8	192		
Work incentive (WIN) credit	—	—	—	*207	*168	1,153	33	5	14	595	537	537		
Jobs credit	209,127	1,291	30,309	41,230	33,251	65,263	13,126	7,312	1,688	22,679	49,084	189,490		
Distributions to stockholders except in own stock	681,853	95,496	36,930	39,903	76,850	79,664	27,001	37,055	25,065	22,679	49,084	189,490		

Constructs at end of table. See text for "Evaluation of Terms" and "Description of the Sample and Limitations of the Data"



# RETURNS OF ACTIVE CORPORATIONS

Table 2.6 — Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Total Assets — Continued

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Industrial division, item	Size of total assets											
	Total returns of active corporations	Zero assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000 or more
<b>Manufacturing</b>												
Number of returns	236,564	3,611	83,549	50,660	31,925	24,493	31,252	34,984	3,160	1,084	655	521
Total assets	1,528,575,203	—	3,201,339	8,269,740	11,472,042	17,691,737	67,271,959	39,894,931	49,000,000	37,955,691	46,133,205	82,019,141
Notes and accounts receivable, net	357,594,626	—	743,324	2,278,223	3,036,857	4,751,869	17,894,098	8,959,131	11,799,055	9,512,720	11,815,241	16,562,020
Inventories	256,278,072	—	499,218	1,492,626	2,522,372	4,096,266	18,427,445	10,327,254	13,682,556	9,912,982	11,495,586	16,562,020
Cash, Government obligations, and other current assets	129,052,767	—	588,272	1,329,542	1,640,314	2,526,141	7,921,028	3,796,802	5,429,337	4,078,051	4,631,718	8,217,413
Other investments and loans	272,188,364	—	197,258	392,253	607,029	821,013	3,063,773	1,972,519	3,428,848	3,834,036	4,631,718	8,217,413
Depreciable assets	742,167,734	—	2,220,979	4,868,450	6,389,258	9,615,920	33,497,423	18,642,488	22,738,233	17,334,649	20,419,233	27,608,759
Less: Accumulated depreciation	327,237,321	—	1,168,948	2,479,483	3,255,573	4,812,508	16,464,488	8,168,336	10,330,361	7,745,049	8,715,117	16,825,634
Other capital assets less reserves	59,582,509	—	40,150	127,060	240,246	401,001	1,767,266	766,159	1,117,444	1,117,444	1,117,444	1,117,444
Accounts and notes payable	323,453,474	—	1,006,697	2,334,249	3,595,257	5,318,549	20,192,207	10,919,207	12,413,976	9,316,184	14,103,768	23,725,146
Other current liabilities	162,542,923	—	339,525	1,026,676	1,915,361	2,765,371	6,663,712	3,450,159	4,825,142	3,923,774	4,890,326	8,335,544
Mortgages, notes, and bonds payable in one year or more	267,817,415	—	644,157	1,489,641	2,008,453	2,992,296	10,168,562	5,117,433	7,871,886	6,147,512	7,871,886	14,885,510
Net worth	675,400,534	—	504,503	2,371,394	4,103,500	6,905,589	27,443,304	15,885,850	22,381,534	18,797,766	21,630,556	40,352,020
Cost of property used for investment credit	81,501,019	243,380	321,368	811,153	1,017,998	1,392,236	4,350,298	1,890,980	2,594,830	1,865,776	2,108,163	3,800,432
Total receipts	2,152,660,164	9,862,587	11,057,893	22,448,513	28,934,882	42,109,165	153,118,874	73,338,869	92,171,047	63,332,826	71,708,580	121,860,764
Business receipts	2,072,685,285	9,515,936	10,897,828	22,212,633	28,821,628	41,641,224	150,993,558	72,134,891	90,317,557	61,832,146	69,689,102	117,937,692
Cost of sales and operations	1,522,576,016	7,019,647	6,222,842	14,940,283	20,469,575	28,894,455	112,797,070	54,482,241	68,150,332	45,748,931	50,934,757	85,255,628
Taxes paid	33,679,830	259,606	399,077	714,018	811,263	1,125,727	3,451,737	1,535,324	1,868,831	1,600,130	1,748,325	2,903,094
Depreciation	41,439,862	140,681	117,643	239,753	357,777	579,140	2,152,591	1,033,359	1,542,145	1,426,086	1,426,086	2,141,446
Interest paid	56,132,693	20,666	248,233	514,505	630,361	897,061	2,913,817	1,403,161	1,837,973	1,278,559	1,557,884	2,764,361
Pension, profit-sharing, stock bonus, and annuity plans	22,899,152	76,373	23,938	67,558	130,766	206,486	951,955	450,153	585,295	448,329	546,329	1,162,045
Employee benefit programs	13,164,354	69,851	57,761	137,944	154,855	256,486	975,242	533,165	672,105	490,202	672,105	1,162,045
Net income (less deficit)	130,688,642	500,074	477,536	1,361,368	1,937,355	2,765,371	9,248,590	3,158,252	4,404,322	3,787,940	4,143,097	7,671,580
Net income	139,688,642	500,074	477,536	1,361,368	1,937,355	2,765,371	9,248,590	3,158,252	4,404,322	3,787,940	4,143,097	7,671,580
Income subject to tax	133,051,825	472,109	285,661	751,636	1,007,270	1,550,922	6,917,626	2,668,894	3,585,559	4,238,834	4,579,953	8,345,883
Income tax, total	58,976,752	216,435	55,495	148,921	256,152	480,846	2,805,742	1,584,960	2,270,887	1,840,463	1,968,167	3,520,301
Additional tax for tax preferences	166,305	105	—	—	—	—	1,972	1,041	1,868	897	3,333	4,594
Investment credit	15,286,370	12,257	—	40,256	55,098	78,110	294,659	133,585	33,613	53,284	97,423	285,610
Nonrefundable business energy credit after limitation	7,120,231	15,478	11,257	—	—	—	—	—	174,626	137,681	16,766	51,978
Work incentive (WIN) credit	209,131	61	—	42	—	—	—	—	3,128	2,551	5,058	5,325
Jobs credit	402,790	1,354	4,926	23,544	30,495	51,568	143,129	38,728	46,411	15,893	11,012	1,185
Distributions to stockholders except in own stock	38,121,235	464,998	49,664	63,391	103,589	151,448	552,294	312,967	689,199	716,593	630,255	1,944,803
<b>Transportation and Public Utilities</b>												
Number of returns	103,770	1,950	54,071	20,719	11,385	7,356	6,331	6,331	484	183	105	107
Total assets	874,479,897	—	1,787,616	3,404,810	3,935,787	5,152,592	12,856,398	5,737,175	7,405,727	6,461,082	7,243,607	16,727,197
Notes and accounts receivable, net	35,385,216	—	276,250	706,958	1,010,812	1,667,797	2,459,426	1,106,720	1,282,974	1,077,148	1,154,419	1,955,817
Inventories	38,511,419	—	66,333	1,361,612	1,630,123	2,385,357	268,110	111,394	196,548	233,624	250,281	668,405
Cash, Government obligations, and other current assets	57,686,409	—	89,980	197,525	226,113	386,958	1,733,335	763,385	935,361	687,311	794,953	1,136,771
Other investments and loans	635,045,371	—	1,553,950	2,666,947	3,443,719	4,647,320	11,582,721	4,805,530	6,075,151	5,271,737	5,903,301	14,112,879
Depreciable assets	160,901,541	—	825,502	1,221,140	1,492,074	2,037,060	5,008,194	1,849,564	2,331,467	2,126,410	2,151,397	4,369,668
Less: Accumulated depreciation	10,935,813	—	30,672	134,051	171,005	218,811	452,473	200,981	354,131	279,866	310,839	542,701
Other capital assets less reserves	68,043,215	—	493,956	854,832	993,714	1,428,574	3,154,132	1,419,600	1,419,600	1,067,705	1,170,839	2,742,705
Accounts and notes payable	76,559,481	—	150,059	270,512	261,977	310,813	1,066,525	532,703	766,095	728,705	879,552	1,672,015
Mortgages, notes, and bonds payable in one year or more	223,921,235	—	491,963	856,509	1,016,248	1,483,148	4,023,822	1,759,157	2,326,081	2,161,177	2,274,353	5,792,951
Net worth	264,142,807	—	298,295	826,210	1,263,051	1,516,728	3,882,882	1,643,442	2,418,669	2,054,538	2,554,437	5,615,259
Cost of property used for investment credit	80,804,739	71,552	228,052	478,210	690,729	897,232	1,803,791	667,663	772,833	589,025	637,275	1,251,616
Total receipts	445,978,021	2,898,299	7,858,464	8,622,880	8,767,042	9,735,856	20,127,134	7,763,470	9,822,285	7,716,811	8,865,324	14,061,921
Business receipts	432,328,292	2,898,299	7,858,464	8,622,880	8,767,042	9,735,856	20,127,134	7,763,470	9,822,285	7,716,811	8,865,324	14,061,921
Cost of sales and operations	282,924,553	2,189,365	5,125,249	5,431,110	5,703,899	5,891,747	12,323,655	4,943,530	6,339,886	4,486,946	6,145,015	9,463,263
Taxes paid	21,581,221	39,897	147,918	268,218	262,107	457,350	806,171	295,754	361,701	288,247	312,353	563,064
Interest paid	31,557,681	46,151	68,500	109,258	132,799	215,331	491,614	224,974	280,016	271,113	256,486	625,825
Depreciation	33,316,414	93,887	230,940	289,002	363,275	476,346	1,061,941	439,980	483,883	401,912	414,525	816,531
Pension, profit-sharing, stock bonus, and annuity plans	7,352,759	17,920	30,672	42,763	52,379	63,753	184,209	48,732	110,360	59,814	103,680	175,993
Employee benefit programs	4,139,925	8,101	10,611	36,240	50,646	64,501	199,593	59,313	102,955	104,236	94,441	112,801
Net income (less deficit)	18,355,601	—	34,826	134,123	233,879	270,077	703,626	336,426	442,313	324,980	407,106	548,062
Net income	21,907,705	—	69,755	300,706	320,357	409,715	937,454	448,070	549,908	421,439	459,645	797,129
Income subject to tax	20,734,761	67,640	83,643	223,406	250,721	368,663	792,614	394,147	497,719	387,441	431,912	731,915
Income tax, total	9,252,511	30,374	18,378	48,084	59,232	114,000	307,614	171,605	219,368	171,430	194,230	330,463
Additional tax for tax preferences	31,272	—	—	—	—	—	463	287	806	223	223	2,227
Foreign tax credit	315,096	2,737	—	—	—	—	—	—	—	—	—	—
Investment credit	4,055,857	5,574	2,265	15,810	24,497	40,302	82,121	36,856	44,829	36,134	40,647	95,200
Nonrefundable business energy credit after limitation	8,656	4	—	—	—	—	—	—	—	—	—	—
Work incentive (WIN) credit	—	—	—	—	—	—	—	—	—	—	—	—
Jobs credit	43,203	420	2,165	4,096	4,511	6,260	12,721	15	171	945	35	24
Distributions to stockholders except in own stock	15,264,900	35,333	47,051	21,638	25,674	11,635	71,842	32,321	84,749	80,487	141,969	319,259

Footnotes at end of table. See last for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



Footnotes at and of table See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data "

# RETURNS OF ACTIVE CORPORATIONS

Table 2.6 — Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Total Assets — Continued

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Industrial division, item	Size of total assets											
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total returns to stockholders	Zero assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
<b>Services</b>												
Number of returns	603,445	16,548	438,477	83,889	31,677	17,409	12,963	1,358	673	216	115	53
Total assets	154,038,119	12,660,337	13,372,963	13,372,963	10,931,054	12,046,632	25,824,384	9,089,649	10,066,366	7,480,630	8,145,088	7,685,683
Notes and accounts receivable, net	24,931,245	—	1,331,479	2,009,167	1,712,750	1,899,178	4,278,095	1,614,145	1,869,779	1,504,004	1,630,722	1,522,677
Inventories	7,575,358	—	493,560	595,326	589,685	672,534	3,367,533	376,272	358,551	388,847	262,829	334,775
Cash, Government obligations, and other current assets	27,210,936	—	3,680,358	2,930,113	2,135,375	1,877,577	3,708,904	1,308,193	1,468,953	1,041,290	920,277	855,694
Other investments and loans	20,797,473	—	1,313,757	1,086,334	1,185,138	1,185,138	2,291,686	833,893	1,250,297	1,144,198	1,660,650	1,424,695
Depreciable assets	97,653,470	—	10,219,384	9,949,432	7,469,872	8,614,476	19,595,410	6,334,147	6,492,967	4,171,822	4,162,003	7,311,233
Less: Accumulated depreciation	38,895,170	—	5,293,867	4,496,473	3,196,273	3,466,031	7,610,044	2,371,788	2,327,473	1,437,749	1,429,550	1,512,293
Other capital assets less reserves	8,170,309	—	428,024	762,611	631,295	957,106	1,486,484	658,154	564,182	382,614	505,697	1,268,478
Accounts and notes payable	32,689,134	—	2,796,626	2,689,724	2,276,694	2,651,811	6,660,303	2,289,961	2,436,334	1,847,393	1,643,942	1,406,468
Other current liabilities	19,862,072	—	1,701,661	1,248,641	1,003,233	1,043,094	2,896,696	3,051,732	3,175,338	2,601,354	2,774,914	2,435,528
Mortgages, notes, and bonds payable in one year or more	43,496,064	—	3,499,382	3,149,883	2,545,136	3,262,559	5,995,241	3,986,247	3,202,938	2,155,300	2,353,568	8,167,932
Net worth	13,572,620	134,718	1,736,003	1,366,636	967,432	1,056,244	2,219,758	763,146	845,046	565,112	572,342	375,034
Cost of property used for investment credit	245,107,895	2,095,079	59,560,017	35,882,208	21,876,692	18,740,483	34,874,435	11,021,395	8,920,228	7,935,883	8,294,325	29,191,038
Total receipts	2,351,087,895	1,250,035	58,627,273	35,029,133	21,444,006	18,097,508	33,245,739	10,691,412	10,351,150	7,498,623	7,462,580	22,607,784
Cost of sales and operations	1,180,747	1,250,035	19,937,273	16,483,368	12,057,874	10,636,637	19,350,786	6,396,708	4,231,362	4,325,925	4,880,839	11,665,875
Interest paid	6,253,806	86,274	1,911,495	1,170,048	763,134	693,522	1,171,999	427,433	353,957	300,401	313,548	804,237
Depreciation	11,720,749	1,263,165	1,020,474	736,132	370,491	489,537	2,099,724	705,259	765,299	498,170	427,143	2,727,902
Pension, profit-sharing, stock bonus, and annuity plans	4,998,103	26,425	2,612,086	991,184	301,270	198,016	320,215	101,608	102,298	57,056	80,798	66,822
Employee benefit programs	1,778,877	25,928	1,486,789	287,842	138,329	111,663	231,886	76,789	82,440	75,053	55,694	52,227
Net income (less deficit)	8,306,989	10,556	1,000,996	989,514	715,812	501,136	1,123,842	408,501	489,552	377,109	523,426	1,669,693
Net income	12,109,401	184,856	2,269,638	1,480,676	1,023,149	877,748	1,683,250	610,839	644,507	571,389	459,031	547,036
Income subject to tax	9,554,446	149,450	1,359,863	1,118,258	789,523	686,596	1,295,805	511,368	568,507	452,563	401,791	1,706,704
Income tax, total	3,323,418	56,475	254,181	235,872	202,162	205,734	500,977	218,067	253,240	203,627	182,178	778,756
Additional tax for tax preferences	2,005	20	—	—	—	—	—	—	—	—	—	—
Investment credit	142,072	3,496	2,197	56,332	39,281	40,210	78,273	26,145	31,494	21,566	23,127	68,020
Nonrefundable business energy credit after limitation	561,508	4,453	—	—	—	—	—	—	—	—	—	—
Work incentive (WIN) credit	1,452	—	—	—	—	—	—	—	—	—	—	—
Jobs credit	186,234	331	46,475	37,486	29,192	29,071	29,508	6,861	5,959	2,619	204	19
Distributions to stockholders except in own stock	1,822,529	92,782	370,721	99,454	104,566	80,839	239,149	88,899	88,738	2,619	69,920	393,874
<b>Nature of Business not Allocable</b>												
Number of returns	11,900	1,517	7,429	1,391	1,265	1,326	139	19	8	—	—	—
Total assets	1,418,661	161,773	1,177,429	1,177,429	1,177,429	1,177,429	252,294	105,413	172,062	51,477	—	—
Notes and accounts receivable, net	296,333	—	37,286	14,236	14,236	14,236	42,962	21,752	38,972	21,752	—	—
Inventories	143,275	—	17,386	13,211	13,211	13,211	16,140	16,140	16,140	16,140	—	—
Cash, Government obligations, and other current assets	291,353	—	41,408	35,473	35,473	35,473	57,038	9,438	21,602	21,602	—	—
Other investments and loans	351,580	—	4,560	35,785	35,785	35,785	73,056	6,132	60,750	60,750	—	—
Depreciable assets	639,270	—	102,198	33,246	33,246	33,246	62,961	67,051	11,355	11,355	—	—
Less: Accumulated depreciation	423,296	—	59,389	14,845	14,845	14,845	30,691	22,821	5,012	5,012	—	—
Other capital assets less reserves	68,200	—	12,277	21,008	21,008	21,008	3,794	5,004	5,748	5,748	—	—
Accounts and notes payable	466,499	—	58,355	156,404	156,404	156,404	54,066	15,991	13,658	13,658	—	—
Other current liabilities	197,366	—	25,622	17,033	17,033	17,033	35,178	2,568	90,018	90,018	—	—
Mortgages, notes, and bonds payable in one year or more	306,045	—	12,703	30,887	30,887	30,887	26,564	45,385	40,946	40,946	—	—
Net worth	350,735	—	52,416	15,862	15,862	15,862	12,966	31,231	3,996	3,996	—	—
Cost of property used for investment credit	71,385	—	10,116	5,497	5,497	5,497	1,770	3,133	795	795	—	—
Total receipts	2,386,149	134,499	403,265	225,713	910,883	37,021	504,465	117,284	53,020	53,020	—	—
Business receipts	2,079,231	128,892	395,459	202,292	677,149	33,940	481,066	115,356	45,058	45,058	—	—
Cost of sales and operations	1,326,167	59,301	201,724	181,873	512,937	22,102	351,701	67,163	29,386	29,386	—	—
Taxes paid	83,729	10,182	19,918	10,513	26,330	11,053	11,053	2,491	5,304	5,304	—	—
Interest paid	34,314	13,868	12,165	8,104	8,070	1,196	4,418	5,668	505	505	—	—
Depreciation	53,016	13,868	10,131	3,692	10,013	724	4,418	5,668	505	505	—	—
Pension, profit-sharing, stock bonus, and annuity plans	29,323	—	2,772	14,535	555	—	7,570	2,263	261	261	—	—
Employee benefit programs	10,845	—	3,353	1,894	937	—	3,289	835	81	81	—	—
Net income (less deficit)	159,651	2,767	16,500	13,059	16,725	1,642	32,899	6,842	1,522	1,522	—	—
Net income	129,437	7,931	14,378	13,059	16,725	2,628	35,768	3,663	3,663	3,663	—	—
Income subject to tax	129,437	7,931	14,378	13,059	16,725	2,628	35,768	3,663	3,663	3,663	—	—
Income tax, total	36,294	1,485	4,196	959	14,174	1,344	12,836	2,942	1,359	1,359	—	—
Additional tax for tax preferences	—	—	—	—	—	—	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Investment credit	3,547	—	—	—	—	—	—	—	—	—	—	—
Nonrefundable business energy credit after limitation	—	—	—	—	—	—	—	—	—	—	—	—
Work incentive (WIN) credit	—	—	—	—	—	—	—	—	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—	—	—
Distributions to stockholders except in own stock	—	—	—	—	—	—	—	—	—	—	—	—

\*Estimate should be used with caution because of the small number of sample returns on which it is based.  
 \*\*Identifies (a) size classes for which data were deleted to avoid disclosure of information for specific corporations and (b) combined frequencies or amounts which include the data thus deleted from another size class.  
 †Less than \$500 per return.  
 NOTE Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



RETURNS OF ACTIVE CORPORATIONS

Table 2.7 — Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Business Receipts

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division, item	Size of business receipts													
	Under \$25,000		\$25,000 to \$50,000		\$50,000 to \$100,000		\$100,000 to \$200,000		\$200,000 to \$500,000		\$500,000 to \$1,000,000		\$1,000,000 to \$2,000,000	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
<b>All Industrial Divisions<sup>2</sup></b>														
Total returns of active corporations	2,556,794	1,016,854	522,069	198,320	296,465	380,405	497,205	262,866	175,318	132,889	49,528	34,328	7,401	
Number of returns	6,835,055,963	90,580,741	42,139,643	18,053,261	30,387,837	49,678,278	104,244,695	125,535,109	188,156,067	364,924,030	325,160,787	766,854,444	4,819,920,823	
Total assets	1,771,395,475	3,848,505	3,848,505	1,745,633	3,403,797	6,053,518	17,456,479	31,343,412	58,361,412	121,151,202	89,806,412	171,516,669	1,266,706,447	
Notes and accounts receivable, net	503,033,064	1,264,466	1,264,466	672,181	1,888,964	4,289,138	12,461,641	25,472,439	40,843,543	78,107,159	59,078,717	132,763,007	760,154,854	
Inventories	1,142,400,477	16,800,343	7,868,259	3,521,242	5,290,832	9,146,864	20,153,532	25,472,439	40,843,543	78,107,159	59,078,717	132,763,007	760,154,854	
Cash, Government obligations, and other current assets	1,894,205,933	19,723,962	11,314,608	3,433,126	4,976,228	7,414,514	13,718,271	15,881,712	26,721,958	71,388,098	99,140,767	300,833,921	1,339,382,734	
Other investments and loans	1,896,558,882	37,101,156	12,719,686	18,197,715	16,193,755	26,098,348	50,813,316	49,164,382	53,375,104	76,301,167	57,133,126	124,070,004	1,422,583,137	
Depreciable assets	697,649,551	14,190,912	4,411,414	3,285,171	6,784,056	10,970,480	22,094,566	21,724,467	23,368,348	33,737,061	24,801,519	51,177,022	495,581,272	
Less Accumulated depreciation	148,939,551	14,315,709	4,304,356	3,029,411	6,784,056	10,970,480	22,094,566	21,724,467	23,368,348	33,737,061	24,801,519	51,177,022	495,581,272	
Other capital assets less reserves	933,315,209	15,940,959	5,007,305	3,255,760	4,976,867	10,748,745	23,544,063	6,701,094	5,451,309	7,489,793	5,716,187	12,651,422	83,890,901	
Accounts and notes payable	2,582,916,609	6,371,131	2,167,268	2,724,167	5,290,867	9,146,957	20,153,532	25,472,439	40,843,543	78,107,159	59,078,717	132,763,007	760,154,854	
Other current liabilities	884,636,968	26,239,458	11,817,011	5,293,669	9,156,978	13,650,077	25,868,184	30,751,145	70,532,532	171,601,008	159,883,122	300,895,201	1,736,504,370	
Mortgages, notes, and bonds payable in one year or more	1,715,785,070	25,294,985	9,584,734	5,278,533	9,731,718	15,628,895	30,250,606	33,980,971	67,466,423	80,542,694	28,323,598	66,564,944	240,123,035	
Net worth	226,995,307	3,441,117	1,301,864	688,996	1,450,258	2,941,168	6,590,291	5,861,233	6,831,568	10,044,930	14,940,125	16,843,735	168,943,735	
Cost of property used for investment credit	5,598,689,129	36,228,903	7,796,479	22,828,163	57,345,034	189,543,178	249,655,541	417,856,161	671,861,110	1,141,110	349,931,311	671,861,110	3,654,759,493	
Total receipts	5,136,075,461	29,099,113	2,522,727	5,983,832	19,692,555	52,953,352	153,116,593	181,027,533	236,339,576	382,356,764	326,867,463	614,109,418	3,500,875,667	
Business receipts	3,709,672,825	11,831,923	1,048,464	2,179,311	8,604,148	23,445,285	61,843,875	113,005,774	161,768,164	291,836,799	253,057,519	476,085,853	2,868,815,634	
Cost of sales and operations	127,751,719	2,004,681	459,411	462,073	1,083,197	2,130,688	5,146,729	5,212,558	6,789,482	14,731,726	14,731,726	36,583,958	181,064,251	
Taxes paid	261,277,331	2,343,184	841,264	525,794	976,126	1,671,348	3,694,077	4,519,817	5,997,913	14,987,268	14,987,738	36,087,738	176,311,866	
Depreciation	138,061,915	2,454,795	665,114	277,559	1,221,771	2,181,200	4,738,052	4,856,841	5,097,913	12,731,592	13,062,434	31,063,203	176,311,866	
Pension, profit-sharing, stock bonus, and annuity plans	46,506,098	208,104	36,303	29,616	97,359	167,333	220,570	270,570	311,165	417,856	417,856	511,177	511,177	
Employee benefit programs	33,620,835	165,277	36,303	29,616	97,359	167,333	220,570	270,570	311,165	417,856	417,856	511,177	511,177	
Net income (less deficit)	284,615,731	-1,756,720	-2,178,430	-25,915	447,590	1,626,006	5,113,301	4,932,175	8,152,498	13,325,366	11,291,925	21,341,280	215,437,380	
Net income	321,649,761	4,171,391	1,167,956	983,591	2,019,844	3,651,854	6,563,713	8,209,821	10,721,626	16,631,268	13,790,417	30,385,701	225,497,970	
Income subject to tax	279,376,063	2,458,374	698,672	597,363	1,162,339	2,247,825	5,745,211	5,856,070	8,021,759	12,943,390	10,935,114	23,341,698	207,826,590	
Income tax, total	120,047,034	536,823	177,417	115,434	243,972	484,294	1,303,011	1,460,062	2,402,775	4,693,241	4,463,022	10,264,421	94,439,386	
Additional tax for tax preferences	432,649	1,203	984	503	1,144	2,07	3,845	5,856	10,581	23,032	24,169	52,294	310,950	
Foreign tax credit	36,827,331	52,344	14,253	10,834	27,257	84,804	244,076	259,784	341,029	560,611	42,518	183,568	36,560,516	
Investment credit	14,634,672	52,344	14,253	10,834	27,257	84,804	244,076	259,784	341,029	560,611	42,518	183,568	36,560,516	
Nonrefundable business energy credit after limitation	242,539	58	25	448	33	62	1,784	1,862	2,782	3,597	1,332	3,954	222,706	
Work incentive (WIN) credit	27,934	448	125	448	33	62	1,784	1,862	2,782	3,597	1,332	3,954	222,706	
Jobs credit	1,293,215	1,137	1,953	1,042	8,141	27,005	103,365	155,306	198,032	271,372	176,677	217,594	132,727	
Distributions to stockholders except in own stock	86,613,794	1,280,637	433,712	243,568	603,357	688,517	1,145,955	1,250,146	1,843,298	2,765,416	2,070,393	6,902,576	68,666,556	
<b>Agriculture, Forestry, and Fishing</b>														
Total returns	83,489	33,873	16,008	6,092	11,773	16,979	18,540	8,103	2,902	1,920	673	413	86	
Number of returns	37,976,331	5,264,874	1,799,954	1,159,486	2,305,434	4,514,171	7,617,119	5,029,094	3,383,569	3,529,844	1,893,768	3,127,397	4,215,777	
Total assets	1,771,395,475	3,848,505	3,848,505	1,745,633	3,403,797	6,053,518	17,456,479	31,343,412	58,361,412	121,151,202	89,806,412	171,516,669	1,266,706,447	
Notes and accounts receivable, net	503,033,064	1,264,466	1,264,466	672,181	1,888,964	4,289,138	12,461,641	25,472,439	40,843,543	78,107,159	59,078,717	132,763,007	760,154,854	
Inventories	1,142,400,477	16,800,343	7,868,259	3,521,242	5,290,832	9,146,864	20,153,532	25,472,439	40,843,543	78,107,159	59,078,717	132,763,007	760,154,854	
Cash, Government obligations, and other current assets	1,894,205,933	19,723,962	11,314,608	3,433,126	4,976,228	7,414,514	13,718,271	15,881,712	26,721,958	71,388,098	99,140,767	300,833,921	1,339,382,734	
Other investments and loans	1,896,558,882	37,101,156	12,719,686	18,197,715	16,193,755	26,098,348	50,813,316	49,164,382	53,375,104	76,301,167	57,133,126	124,070,004	1,422,583,137	
Depreciable assets	697,649,551	14,190,912	4,411,414	3,285,171	6,784,056	10,970,480	22,094,566	21,724,467	23,368,348	33,737,061	24,801,519	51,177,022	495,581,272	
Less Accumulated depreciation	148,939,551	14,315,709	4,304,356	3,029,411	6,784,056	10,970,480	22,094,566	21,724,467	23,368,348	33,737,061	24,801,519	51,177,022	495,581,272	
Other capital assets less reserves	933,315,209	15,940,959	5,007,305	3,255,760	4,976,867	10,748,745	23,544,063	6,701,094	5,451,309	7,489,793	5,716,187	12,651,422	83,890,901	
Accounts and notes payable	2,582,916,609	6,371,131	2,167,268	2,724,167	5,290,867	9,146,957	20,153,532	25,472,439	40,843,543	78,107,159	59,078,717	132,763,007	760,154,854	
Other current liabilities	884,636,968	26,239,458	11,817,011	5,293,669	9,156,978	13,650,077	25,868,184	30,751,145	70,532,532	171,601,008	159,883,122	300,895,201	1,736,504,370	
Mortgages, notes, and bonds payable in one year or more	1,715,785,070	25,294,985	9,584,734	5,278,533	9,731,718	15,628,895	30,250,606	33,980,971	67,466,423	80,542,694	28,323,598	66,564,944	240,123,035	
Net worth	226,995,307	3,441,117	1,301,864	688,996	1,450,258	2,941,168	6,590,291	5,861,233	6,831,568	10,044,930	14,940,125	16,843,735	168,943,735	
Cost of property used for investment credit	5,598,689,129	36,228,903	7,796,479	22,828,163	57,345,034	189,543,178	249,655,541	417,856,161	671,861,110	1,141,110	349,931,311	671,861,110	3,654,759,493	
Total receipts	5,136,075,461	29,099,113	2,522,727	5,983,832	19,692,555	52,953,352	153,116,593	181,027,533	236,339,576	382,356,764	326,867,463	614,109,418	3,500,875,667	
Business receipts	3,709,672,825	11,831,923	1,048,464	2,179,311	8,604,148	23,445,285	61,843,875	113,005,774	161,768,164	291,836,799	253,057,519	476,085,853	2,868,815,634	
Cost of sales and operations	127,751,719	2,004,681	459,411	462,073	1,083,197	2,130,688	5,146,729	5,212,558	6,789,482	14,731,726	14,731,726	36,583,958	181,064,251	
Taxes paid	261,277,331	2,343,184	841,264	525,794	976,126	1,671,348	3,694,077	4,519,817	5,997,913	14,987,268	14,987,738	36,087,738	176,311,866	
Depreciation	138,061,915	2,454,795	665,114	277,559	1,221,771	2,181,200	4,738,052	4,856,841	5,097,913	12,731,592	13,062,434</			



## RETURNS OF ACTIVE CORPORATIONS

Table 2.7 — Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Business Receipts — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division, item	Size of business receipts											
	Under \$25,000 <sup>1</sup>						\$25,000 to \$50,000					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total returns to stockholders												
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# RETURNS OF ACTIVE CORPORATIONS

Table 2.7 — Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Size of Business Receipts — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division, item	Size of business receipts									
	Total returns of active corporations	Under \$100,000 <sup>1</sup>	Under \$25,000 <sup>2</sup>	\$25,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>Manufacturing</b>										
Number of returns	236,564	51,949	28,080	8,134	15,735	25,414	52,141	32,916	27,174	24,901
Total assets	1,528,575,203	322,161	1,859,262	376,206	966,693	2,193,729	8,406,118	10,855,970	18,637,079	36,485,097
Notes and accounts receivable, net	357,594,626	518,410	288,736	53,993	178,681	368,536	2,028,323	2,724,870	4,593,960	9,458,183
Inventories	256,278,072	361,534	123,239	65,575	172,720	396,713	1,469,216	2,166,122	4,324,676	9,995,903
Cash, Government obligations, and other current assets	129,052,767	634,887	411,890	73,212	143,785	413,153	1,350,019	2,686,789	4,789,556	9,999,150
Other investments and loans	272,188,364	281,326	171,849	5,777	100,700	183,532	523,489	555,468	1,064,171	1,881,391
Depreciable assets	742,167,734	1,709,015	874,266	233,860	600,889	1,175,632	6,228,577	6,228,577	10,129,653	18,607,338
Less: Accumulated depreciation	337,237,321	608,611	226,822	90,568	291,221	481,690	2,941,942	2,941,942	5,106,017	9,275,338
Other capital assets less reserves	59,527,509	92,820	36,798	16,824	39,198	63,097	130,300	286,660	531,219	973,461
Accounts and notes payable	323,453,474	691,630	369,612	78,303	243,715	582,371	2,439,752	3,129,940	5,367,912	10,460,288
Other current liabilities	162,542,923	259,007	128,886	44,269	85,852	172,946	861,274	1,050,962	1,950,962	3,640,828
Mortgages, notes, and bonds payable in one year or more	267,817,415	1,226,039	780,949	346,616	386,108	1,772,336	2,045,230	3,249,100	5,553,230	11,358,934
Net worth	675,400,534	552,801	272,275	91,988	188,537	661,651	2,164,816	3,885,481	6,966,953	15,068,933
Cost of property used for investment credit	81,501,019	273,782	131,535	38,635	103,612	243,780	849,182	1,003,006	2,403,775	5,021,362
Total receipts	2,152,660,164	2,079,530	496,337	320,903	1,262,291	4,014,206	17,224,356	23,873,876	39,059,611	78,421,163
Business receipts	2,072,665,255	1,724,681	210,509	296,243	1,215,929	3,887,373	16,928,441	23,552,979	38,517,935	77,287,869
Cost of sales and operations	1,522,576,016	1,094,569	148,820	194,666	751,083	2,282,007	10,463,286	15,758,289	26,856,219	55,620,279
Taxes paid	53,679,630	93,129	25,677	13,854	53,597	139,617	609,513	756,354	1,139,747	2,051,458
Interest paid	41,439,802	68,999	26,169	9,685	33,145	69,631	293,963	346,242	560,754	1,136,085
Depreciation	56,132,695	127,287	55,809	16,820	54,658	124,463	497,665	611,442	1,188,803	2,162,212
Pension, profit-sharing, stock bonus, and annuity plans	22,899,152	4,724	3,655	440	630	707	676	130,257	284,264	514,047
Employee benefit programs	19,484,547	19,484	8,347	2,319	8,706	21,566	106,454	143,705	267,256	527,610
Net income (less deficit)	130,370,486	288,548	124,351	59,977	106,917	383,563	757,776	1,314,245	3,206,629	9,104,140
Income subject to tax	130,370,486	288,548	124,351	59,977	106,917	383,563	757,776	1,314,245	3,206,629	9,104,140
Income tax, total	58,976,752	41,535	33,708	847	6,961	37,434	149,575	216,551	490,432	1,375,219
Additional tax for tax preferences	166,305	410	320	384	765	930	36,440	50,602	71,559	161,136
Foreign tax credit	7,120,231	1,669	520	—	—	—	—	—	—	—
Nonrefundable business energy credit after limitation	16,083	—	—	—	—	—	—	—	—	—
Work incentive (WIN) credit	402,790	245	238	—	—	—	—	—	—	—
Distributions to stockholders except in own stock	38,121,235	34,161	27,597	1,077	5,487	21,369	48,481	78,309	383,507	320,420
<b>Transportation and Public Utilities</b>										
Number of returns	103,770	45,723	23,117	10,505	12,101	11,883	17,497	12,979	8,012	4,940
Total assets	674,479,897	3,757,894	1,965,021	692,384	1,060,449	1,997,435	3,792,916	5,197,377	6,020,901	8,772,600
Notes and accounts receivable, net	55,335,217	277,968	148,126	33,718	96,124	167,431	559,700	698,995	1,007,955	1,639,897
Inventories	25,594,576	44,116	6,876	28,039	9,501	19,489	111,309	808,707	1,111,432	203,092
Cash, Government obligations, and other current assets	57,686,409	281,652	163,542	41,504	76,605	127,106	635,527	800,707	861,177	1,115,496
Other investments and loans	635,045,371	2,801,361	1,375,792	434,740	980,829	1,792,782	3,248,677	4,974,436	5,177,887	8,020,567
Depreciable assets	160,901,541	841,261	359,368	152,173	329,720	664,975	1,296,358	2,218,967	2,025,345	3,396,237
Less: Accumulated depreciation	10,935,813	148,811	60,108	48,752	39,952	108,690	128,003	210,667	190,261	257,149
Other capital assets less reserves	68,043,215	600,252	272,390	101,472	226,390	424,193	828,253	1,072,434	1,305,800	2,080,293
Accounts and notes payable	76,559,481	185,095	104,316	37,977	42,802	107,209	215,922	367,275	405,927	719,403
Other current liabilities	223,921,235	1,572,482	856,162	298,266	418,051	639,331	1,615,550	1,987,047	2,496,286	2,496,286
Mortgages, notes, and bonds payable in one year or more	264,142,807	489,411	199,732	101,595	188,084	599,920	1,060,432	1,722,975	1,822,132	3,022,736
Net worth	80,804,739	364,344	145,961	107,023	111,360	272,759	482,966	708,042	802,051	1,178,969
Cost of property used for investment credit	445,978,021	1,667,006	342,588	405,772	918,645	1,644,360	5,697,866	9,345,048	11,181,727	16,123,945
Total receipts	432,328,292	1,447,670	646,900	385,948	875,722	1,622,001	5,813,938	9,152,538	10,949,554	15,498,986
Business receipts	262,924,553	596,103	272,390	154,744	376,668	800,122	3,151,881	5,349,813	7,549,544	10,507,986
Cost of sales and operations	21,581,221	84,970	22,732	19,718	42,520	76,555	210,862	337,690	337,690	506,837
Taxes paid	21,581,221	84,970	22,732	19,718	42,520	76,555	210,862	337,690	337,690	506,837
Interest paid	33,316,414	185,222	58,578	53,253	122,999	37,266	134,183	192,734	223,285	251,186
Depreciation	7,352,759	20,622	591	—	—	141,727	319,613	471,769	663,619	759,515
Pension, profit-sharing, stock bonus, and annuity plans	4,139,925	10,320	6,367	—	—	7,702	18,856	45,020	68,215	88,893
Employee benefit programs	18,355,601	195,324	149,809	49,965	18,965	34,366	27,580	59,074	61,385	80,281
Net income (less deficit)	21,907,705	128,415	38,323	32,297	57,796	121,595	320,788	593,804	644,904	921,557
Income subject to tax	20,734,781	51,425	11,245	13,982	26,198	72,367	261,223	342,337	367,652	634,472
Income tax, total	9,253,511	11,428	2,460	2,680	6,288	14,742	64,325	92,034	123,080	250,001
Additional tax for tax preferences	31,096	—	—	—	—	—	—	—	—	—
Foreign tax credit	4,055,857	1,757	811	—	—	—	—	—	—	—
Nonrefundable business energy credit after limitation	8,556	—	—	—	—	—	—	—	—	—
Work incentive (WIN) credit	43,203	—	—	—	—	—	—	—	—	—
Distributions to stockholders except in own stock	15,264,900	18,398	6,572	8,081	3,746	16,958	30,366	79,989	65,069	102,622

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 2.7 — Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Size of Business Receipts — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division, item	Size of business receipts												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Wholesale and Retail Trade													
Number of returns	772,598	181,593	66,947	37,000	77,646	114,626	169,849	112,585	83,111	65,732	26,023	16,602	2,477
Total assets	573,306,508	7,507,158	2,986,395	1,566,877	3,643,985	8,188,580	22,633,716	29,130,602	39,067,156	52,160,017	52,160,017	90,741,290	261,377,252
Notes and accounts receivable, net	150,081,836	1,112,070	416,999	238,339	466,732	1,115,117	3,918,380	5,819,935	9,546,360	13,447,403	13,447,403	25,874,457	73,444,209
Inventories	177,252,484	1,650,484	311,371	356,440	982,673	2,550,624	7,456,705	10,378,474	14,446,350	20,331,804	20,331,804	31,792,160	64,627,609
Cash, Government obligations, and other current assets	56,303,246	1,240,201	435,582	200,082	524,538	1,199,942	3,369,793	3,961,947	5,130,072	7,144,901	7,144,901	8,623,837	20,285,783
Other investments and loans	58,680,713	802,750	418,217	169,874	314,059	587,045	1,500,665	1,907,064	2,057,167	2,839,550	2,839,550	5,604,968	40,021,377
Depreciable assets	169,822,837	2,600,789	523,922	168,874	1,475,867	3,245,718	8,352,590	9,858,792	11,876,296	17,618,778	14,402,252	24,916,414	76,951,206
Less: Accumulated depreciation	68,255,056	813,481	170,017	63,314	480,151	1,278,503	3,661,989	4,569,023	5,607,612	8,089,775	6,407,612	10,497,772	27,259,655
Other capital assets less reserves	15,092,382	390,274	128,827	90,852	172,596	368,726	864,827	877,215	930,728	1,326,194	1,326,194	2,291,377	6,603,625
Accounts and notes payable	206,940,862	2,081,018	770,637	355,356	770,637	2,204,909	6,403,986	9,149,688	13,808,696	24,579,618	22,290,667	38,112,398	88,309,883
Other current liabilities	49,542,011	443,840	197,390	69,912	176,538	526,359	1,519,193	2,055,041	3,046,431	4,841,762	4,063,629	7,572,474	25,473,882
Mortgages, notes, and bonds payable in one year or more	88,195,310	1,660,222	396,807	401,045	862,371	1,600,220	4,278,724	4,548,072	6,022,616	10,916,199	10,916,199	47,080,897	87,080,897
Net worth	196,573,329	1,393,220	143,441	361,110	888,668	2,126,903	7,297,410	10,483,711	14,809,122	23,024,784	17,865,505	31,463,988	88,098,686
Cost of property used for investment credit	21,952,393	513,132	106,996	109,811	296,326	501,873	1,129,223	1,219,802	1,490,287	2,622,903	1,984,224	3,604,436	8,886,512
Total receipts	1,752,708,933	8,323,293	723,873	1,590,543	6,008,876	17,330,340	56,585,007	82,194,079	118,972,453	208,393,302	183,139,431	314,002,945	763,768,083
Business receipts	1,713,929,230	7,629,589	501,556	1,415,874	5,712,159	16,797,454	53,842,373	81,038,654	117,096,398	205,496,759	180,566,719	308,862,919	740,980,947
Cost of sales and operations	1,364,156,032	4,114,115	334,255	715,345	3,064,514	9,089,485	33,842,373	54,188,548	84,526,556	161,340,361	145,696,869	253,737,486	617,620,237
Taxes paid	22,459,020	312,390	38,817	50,441	223,132	521,069	1,403,928	1,641,727	1,980,790	2,640,385	2,224,302	3,943,555	7,790,879
Depreciation	19,959,777	157,454	36,574	28,096	92,785	236,539	678,028	868,833	1,170,620	2,162,586	2,096,539	3,673,231	8,915,946
Pension, profit-sharing, stock bonus, and annuity plans	15,975,729	248,763	41,055	24,762	151,530	355,541	892,106	1,028,644	1,241,617	1,756,042	1,436,702	2,624,328	6,391,986
Employee benefit programs	5,012,946	36,905	19,782	5,186	17,046	39,595	104,711	177,433	289,595	477,215	416,454	680,193	2,034,827
Other current liabilities	4,242,380	25,252	3,020	1,972	5,186	10,757	28,995	55,596	96,296	136,330	136,330	203,885	569,699
Net income (less deficit)	40,181,385	766,450	-610,754	-42,682	-113,014	148,338	1,151,186	1,952,596	2,967,996	4,696,136	3,830,699	7,569,699	18,631,885
Net income	48,189,112	503,892	97,046	131,288	275,558	670,372	1,777,071	2,984,758	3,768,065	5,657,702	4,520,400	8,517,119	19,579,732
Income subject to tax	34,697,843	32,188	97,066	38,851	103,944	289,235	1,320,703	1,849,531	2,728,129	4,042,156	3,458,847	5,874,637	14,959,622
Income tax, total	13,419,871	35,278	9,263	6,811	19,204	54,892	269,845	406,088	721,280	1,297,518	1,321,111	2,512,013	6,801,846
Additional tax for tax preferences	891,394	69	15	15	64	613	2	8	5	576	358	1,520	6,907
Foreign tax credit	1,328,438	5,232	—	1,521	3,449	8,960	37,132	50,531	83,845	132,446	114,597	153,707	873,597
Nonrefundable business energy credit after limitation	3,575	—	—	—	—	—	—	—	—	—	—	—	695,961
Work incentive (WIN) credit	359,973	919	9	25	885	3,797	25,036	43,576	54,123	67,846	53,624	3,449	10,287
Jobs credit	8,828,705	112,822	66,323	25,190	21,309	142,404	337,139	394,219	440,113	1,036,825	554,558	62,039	48,413
Distributions to stockholders except in own stock	—	—	—	—	—	—	—	—	—	—	—	—	4,309,920
Finance, Insurance, and Real Estate*													
Number of returns	471,222	333,096	212,254	64,824	56,018	53,642	41,940	15,828	10,285	8,800	3,245	3,205	1,181
Total assets	3,626,972,420	50,645,176	23,937,871	11,074,630	15,632,665	19,704,810	34,504,020	49,122,812	90,918,037	201,243,131	58,399,588	508,849,206	2,456,931,957
Notes and accounts receivable, net	1,120,635,981	4,210,268	1,810,503	1,015,708	1,783,057	2,523,032	6,590,457	16,362,457	36,219,541	83,776,274	58,399,588	106,826,526	805,199,327
Inventories	5,665,968	529,268	179,398	47,310	102,900	207,878	7,807,608	13,619,933	26,065,453	43,707,002	290,475	860,169	2,296,845
Cash, Government obligations, and other current assets	950,128,300	9,869,745	4,371,964	2,347,863	3,987,916	4,063,866	7,807,608	13,619,933	26,065,453	43,707,002	290,475	860,169	2,296,845
Other investments and loans	1,444,018,830	14,182,853	7,936,951	2,864,069	5,591,813	4,538,015	8,171,317	10,117,543	20,713,966	62,201,786	90,663,694	279,241,114	954,172,543
Depreciable assets	131,789,678	17,508,117	5,711,493	4,769,969	7,026,655	8,689,094	12,535,576	8,743,015	7,335,980	9,751,239	6,365,692	15,934,282	44,326,684
Less: Accumulated depreciation	41,265,731	6,733,422	1,888,080	2,033,043	2,812,289	3,709,652	5,117,682	3,129,869	2,355,670	2,871,938	1,976,343	4,103,040	11,267,751
Other capital assets less reserves	30,660,478	9,201,842	4,642,673	1,974,245	2,584,925	2,791,424	3,023,024	2,167,617	1,527,950	2,354,741	1,441,201	3,354,926	4,791,684
Accounts and notes payable	234,187,015	7,046,623	3,393,494	1,461,872	2,191,257	3,023,564	5,053,345	4,850,123	5,242,223	12,347,014	12,347,014	26,900,560	156,667,261
Other current liabilities	2,234,033,490	3,331,488	2,694,623	480,408	766,458	1,289,528	7,246,029	24,943,385	61,552,451	156,761,468	147,897,805	364,910,676	1,465,498,660
Mortgages, notes, and bonds payable in one year or more	208,303,187	15,086,695	8,667,577	3,028,620	5,190,487	9,988,834	9,451,679	7,844,901	6,376,559	10,441,418	9,668,836	22,622,166	128,822,109
Net worth	441,498,520	16,866,772	6,998,652	4,325,084	5,543,036	6,883,327	9,814,369	8,700,709	15,034,704	28,092,500	24,805,704	67,091,044	264,129,287
Cost of property used for investment credit	12,341,801	395,814	149,682	100,367	145,764	286,521	391,198	342,621	290,891	602,385	373,757	1,073,881	8,584,735
Total receipts	561,106,822	8,020,056	2,386,194	2,386,194	3,998,932	7,640,239	12,877,416	11,088,017	14,623,296	27,037,700	22,677,700	66,195,167	390,887,199
Business receipts	255,126,441	3,217,174	381,055	946,970	1,889,749	4,639,741	8,171,407	6,288,129	8,288,129	15,388,077	13,319,613	21,319,613	191,569,378
Cost of sales and operations	125,513,417	3,116,132	27,290	115,387	173,455	751,189	1,593,426	1,653,110	1,582,259	2,765,623	1,830,815	9,653,741	103,367,122
Taxes paid	12,959,113	815,912	250,864	326,409	444,551	655,559	1,311,688	1,917,215	3,689,697	5,815,951	5,815,951	13,865,243	47,486,243
Interest paid	164,244,136	1,735,325	450,035	231,264	504,026	705,086	1,311,688	1,917,215	3,689,697	5,815,951	5,815,951	13,865,243	47,486,243
Depreciation	10,250,000	760,399	221,524	214,953	323,921	414,918	596,202	432,672	385,992	586,143	414,631	1,019,915	5,639,134
Pension, profit-sharing, stock bonus, and annuity plans	4,352,266	12,972	—	—	—	—	—	—	—	—	—	—	—
Employee benefit programs	2,120,801	25,285	7,338	6,500	11,447	27,432	65,549	66,989	88,371	132,281	96,550	282,417	1,335,917
Net income (less deficit)	36,953,270	1,127	-642,893	242,441	412,579	745,607	1,247,939	693,805	1,482,557	2,381,761	1,962,938	5,448,226	22,984,311
Net income	43,207,992	1,692,495	388,879	547,281	756,335	1,132,936	1,686,808	1,232,461	1,754,163	2,798,748	2,380,666	6,392,995	24,196,519
Income subject to tax	28,238,662	1,134,588	249,876	365,472	519,239	819,471	1,161,310	856,536	1,154,782	1,892,792	1,424,782	3,190,996	16,603,406
Income tax, total	11,749,927	223,937	45,927										

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



**RETURNS OF ACTIVE CORPORATIONS**  
**Table 2.7 — Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Business Receipts — Continued**  
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division, item	Size of business receipts											
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total returns of active corporations	Under \$25,000	Under \$25,000	Under \$25,000	\$25,000-\$50,000	\$50,000-\$100,000	\$100,000-\$200,000	\$200,000-\$500,000	\$500,000-\$1,000,000	\$1,000,000-\$2,000,000	\$2,000,000-\$5,000,000	\$5,000,000-\$10,000,000	\$10,000,000-\$50,000,000 or more
<b>Services</b>												
Number of returns	603,445	281,034	138,055	55,122	87,857	114,470	132,111	43,354	19,372	9,143	2,405	214
Total assets	154,038,119	12,737,242	5,413,685	2,489,764	4,833,793	8,743,981	16,293,662	13,756,070	12,865,335	14,769,933	9,607,209	47,755,955
Notes and accounts receivable, net	24,931,245	1,477,014	727,396	291,400	458,217	940,330	1,893,191	1,866,983	2,339,395	2,756,593	1,844,488	8,167,034
Inventories	7,575,358	382,502	86,189	65,750	230,563	305,350	506,247	351,539	625,729	974,792	524,716	2,732,307
Cash, Government obligations, and other current assets	27,019,936	2,108,968	911,179	394,544	803,247	1,060,624	1,606,024	1,185,330	2,113,302	2,508,268	2,597,899	8,808,572
Other investments and loans	20,797,471	2,031,145	1,178,678	386,084	466,963	1,085,350	1,607,722	1,847,257	983,019	1,343,562	1,143,301	8,269,480
Depreciable assets	37,653,470	2,538,122	1,530,882	4,088,120	6,499,988	12,662,138	15,662,138	10,278,272	9,619,734	10,434,243	6,259,858	23,530,641
Less: Accumulated depreciation	98,895,170	3,279,127	807,708	600,988	1,870,430	2,637,543	3,636,947	2,488,776	3,772,250	4,369,373	2,284,323	8,137,404
Other capital assets less reserves	8,170,309	1,085,369	432,474	252,200	400,695	596,344	1,028,874	744,946	3,385,130	4,683,518	488,694	1,889,908
Accounts and notes payable	32,669,134	2,899,603	1,424,747	442,228	943,722	1,392,874	3,192,874	3,037,267	1,232,936	1,728,050	2,526,628	3,563,852
Other current liabilities	19,862,072	825,898	349,076	146,433	705,878	1,585,615	2,370,529	1,243,907	4,253,793	4,374,156	3,260,161	8,958,998
Mortgages, notes, and bonds payable in one year or more	43,466,104	3,363,526	1,862,463	830,580	1,362,463	2,614,895	4,405,372	3,970,629	13,377,544	3,621,486	3,260,161	10,972,711
Net income	13,572,620	2,810,730	919,660	193,278	523,935	816,980	1,802,434	1,094,811	27,086,281	28,053,810	17,479,757	46,145,868
Cost of property used for investment credit	245,107,695	10,616,413	1,612,087	2,146,116	6,858,210	17,222,480	40,886,632	30,556,843	26,372,720	26,372,720	16,831,143	42,918,019
Total receipts	235,009,878	9,487,080	2,977,721	2,804,370	6,556,448	16,764,993	39,875,920	29,789,435	26,372,720	26,372,720	16,831,143	42,918,019
Business receipts	117,180,747	4,772,721	2,804,370	2,804,370	6,556,448	16,764,993	39,875,920	29,789,435	26,372,720	26,372,720	16,831,143	42,918,019
Cost of sales and operations	8,253,806	482,446	113,432	83,354	164,588	306,201	588,049	540,877	606,558	909,736	562,541	1,500,577
Taxes paid	1,099,103	788,125	206,624	170,727	410,773	649,394	1,420,804	1,107,052	1,086,624	1,227,895	760,564	1,838,675
Interest paid	1,778,977	60,186	8,543	12,903	82,159	686,355	1,710,782	865,618	444,326	411,556	157,772	339,930
Pension, profit-sharing, stock bonus, and annuity plans	8,206,989	205,541	296,191	101,217	191,864	345,778	873,328	727,309	182,176	188,889	139,800	378,184
Employee benefit programs	12,103,401	972,897	284,279	158,233	520,385	1,134,486	1,977,356	1,134,486	855,621	909,260	557,877	2,764,940
Net income (less deficit)	9,554,446	544,569	145,336	109,642	289,591	574,492	1,372,729	866,394	855,621	909,260	557,877	2,764,940
Income tax, total	3,323,418	112,132	35,026	20,776	56,390	117,443	292,966	214,787	260,885	343,934	228,383	1,260,029
Income tax, total	142,072	2,008	1,943	3,893	12,825	28,841	75,656	42,194	43,806	48,215	33,954	121,492
Foreign tax credit	561,508	23,973	7,255	448	2,731	11,950	34,755	36,618	35,736	33,140	11,116	201,995
Investment credit	1,452	448	11	—	—	—	—	—	—	—	—	—
Nonrefundable business energy credit after limitation	186,234	3,266	110	—	—	—	—	—	—	—	—	—
Work credit (WIN) credit	1,822,529	181,654	59,263	21,220	101,171	158,427	216,712	138,511	80,329	205,502	93,062	573,9
Distributions to stockholders except in own stock												
<b>Nature of Business not Allocable</b>												
Number of returns	11,900	8,380	7,026	1,011	343	1,195	1,720	59	390	117	28	—
Total assets	1,416,661	577,213	504,417	15,601	57,195	131,023	236,661	25,502	143,690	131,128	116,438	—
Notes and accounts receivable, net	296,333	24,514	7,840	841	15,633	63,943	84,454	5,309	48,445	35,379	26,503	—
Inventories	143,275	1,556	590	959	2,873	2,873	26,945	6,544	36,956	22,892	26,503	—
Cash, Government obligations, and other current assets	291,353	175,590	159,987	5,921	9,682	15,217	50,458	5,577	9,914	22,892	18,617	—
Other investments and loans	351,580	245,529	217,399	7	28,123	39,700	20,875	1,814	8,723	13,265	10,831	—
Depreciable assets	639,270	361,863	349,003	8,309	4,551	24,494	65,765	5,483	44,959	65,260	50,546	—
Less: Accumulated depreciation	423,296	293,664	290,995	726	1,942	15,213	39,616	1,930	13,273	26,338	25,610	—
Other capital assets less reserves	68,200	32,403	32,193	141	69	15,159	6,816	661	6,816	9,377	5,610	—
Accounts and notes payable	466,499	168,335	166,029	1,029	1,277	38,917	78,117	5,941	78,898	63,377	22,661	—
Other current liabilities	197,366	107,916	58,024	511	49,382	2,336	57,961	1,940	53,536	9,065	10,831	—
Mortgages, notes, and bonds payable in one year or more	306,045	44,902	44,902	—	—	98,001	57,931	7,563	40,035	30,250	34,398	—
Net income	350,735	180,198	160,500	13,840	5,858	8,622	57,931	9,563	6,304	35,334	48,340	—
Cost of property used for investment credit	71,365	18,340	219	8,047	75	967	43,078	197	7,295	747	3,860	—
Total receipts	2,386,149	155,981	87,344	34,337	34,301	351,612	596,679	52,292	430,670	372,014	191,909	—
Business receipts	2,079,231	73,643	9,940	33,854	29,849	160,732	429,877	25,266	229,877	189,470	234,128	—
Cost of sales and operations	1,326,167	13,189	7,282	5,849	98	51,468	29,344	27,541	34,644	283,341	126,795	—
Taxes paid	83,729	12,632	8,654	1,765	2,213	3,175	29,134	1,607	14,554	6,652	4,965	—
Interest paid	34,314	3,511	2,372	3,024	1,135	1,765	20,485	744	4,295	4,576	5,332	—
Depreciation	53,018	9,772	6,276	3,024	1,135	1,765	20,485	744	4,295	4,576	5,332	—
Pension, profit-sharing, stock bonus, and annuity plans	29,323	46	267	—	—	—	18,093	—	3,882	6,070	6,331	—
Employee benefit programs	10,845	1,516	18,265	3,169	1,425	6,115	23,624	23	19,147	9,846	10,725	—
Net income (less deficit)	98,037	20,960	56,338	6,979	1,449	7,125	27,365	998	19,147	13,301	10,725	—
Income tax, total	129,477	61,050	52,623	6,079	1,449	7,125	18,652	711	16,014	10,369	14,239	—
Income tax, total	38,294	16,125	14,543	1,186	396	131	5,025	140	2,934	4,212	6,409	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Investment credit	—	—	—	—	—	—	—	—	—	—	—	—
Nonrefundable business energy credit after limitation	—	—	—	—	—	—	—	—	—	—	—	—
Work credit (WIN) credit	—	—	—	—	—	—	—	—	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—	—	—
Distributions to stockholders except in own stock	11,547	1,900	1,867	—	—	—	—	—	—	—	—	—

\*Estimate should be used with caution because of the small number of sample returns on which it is based.  
 †Includes returns with zero receipts and receipts not reported.  
 ‡Size of total receipts was used in lieu of business receipts to classify statistics for the "Finance, insurance, and real estate" category.  
 §Less than \$500 per return.  
 NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 2.8 — Total Receipts, Net Income, Statutory Special Deductions, Income Tax, Credits, and Taxpayments, by Accounting Period Ended

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	Total returns of active corporations		Accounting period ended <sup>1</sup>											
	Number of returns	Amount	July 1979	August 1979	September 1979	October 1979	November 1979	December 1979	January 1980	February 1980	March 1980	April 1980	May 1980	June 1980
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>Returns With and Without Net Income</b>														
<b>Other Than Forms 1120S and 1120 — DISC</b>														
Number of returns	2,556,784	—	100,274	83,092	186,471	111,572	88,426	746,222	75,068	67,647	156,061	85,975	92,527	265,535
Total receipts	2,454,222	5,589,689,129	135,761,397	138,318,204	326,367,574	185,070,893	95,377,025	3,394,180,351	243,785,596	115,282,939	307,400,995	133,305,351	160,552,992	423,306,888
Net income (less deficit)	2,540,477	284,615,731	4,544,268	4,857,701	12,491,676	6,997,027	27,421,525	208,266,866	10,016,106	1,480,699	3,090,429	3,845,041	4,668,198	13,611,310
Total income tax	1,162,947	120,047,034	1,761,841	1,880,149	5,070,142	2,611,178	1,729,475	90,813,935	2,741,377	1,480,699	3,090,429	1,495,382	1,677,438	5,694,990
<b>Returns With and Without Net Income, Other Than Forms 1120S and 1120 — DISC</b>														
Number of returns	2,033,821	—	83,092	95,225	186,471	111,572	88,426	746,222	75,068	67,647	156,061	85,975	92,527	265,535
Total receipts	1,964,337	5,342,373,108	122,093,607	130,433,697	307,570,162	175,598,510	68,337,034	2,337,550,403	219,086,929	105,233,782	289,659,638	125,149,563	148,040,376	395,119,408
Net income (less deficit)	2,021,686	272,374,737	4,017,250	4,524,913	11,913,566	6,410,674	4,066,362	205,020,526	6,300,932	3,104,263	6,755,790	3,391,053	4,088,279	12,781,130
Statutory special deductions, total	362,027	18,292,263	301,561	321,928	842,054	528,166	245,546	12,712,828	673,530	298,587	625,522	354,804	338,954	1,039,803
Net operating loss deduction	266,862	9,454,825	262,849	275,689	710,369	403,596	165,949	5,257,749	330,188	257,749	515,778	300,874	288,835	687,421
Total special deductions	105,982	8,837,458	47,712	46,229	131,685	124,570	79,597	7,455,079	337,342	40,839	108,744	53,929	50,118	352,382
Western Hemisphere Trade Corporation deduction	947	133,554	357	4,660	4,172	2,335	186	116,522	117	2,009	2,009	65	825	1,899
Income subject to tax, total	1,132,930	279,373,011	4,398,926	4,752,514	12,692,190	6,545,903	4,305,324	205,474,425	6,564,255	3,822,176	7,906,427	3,237,909	4,354,425	14,528,537
Net long-term capital gain taxed at alternative rates	36,711	13,578,633	182,147	197,419	1,176,818	189,963	146,558	9,902,929	314,228	269,562	313,957	198,179	198,179	465,485
Income taxed at normal tax and surtax rates	1,131,448	265,794,378	4,216,779	4,555,094	11,515,372	6,355,940	4,158,766	195,571,496	6,250,027	3,552,614	7,682,470	3,716,522	4,156,246	14,063,052
Income tax, total	1,162,947	120,047,034	1,761,841	1,880,149	5,070,142	2,611,178	1,729,475	90,813,935	2,741,377	1,480,699	3,090,429	1,495,382	1,677,438	5,694,990
Normal tax, surtax, and alternative tax	1,132,930	118,859,446	1,743,160	1,855,036	4,995,524	2,579,747	1,711,958	89,884,272	2,719,965	1,463,437	3,043,159	1,478,514	1,660,730	5,623,914
Tax from recomputing prior-year investment credit	178,508	744,915	12,825	18,810	49,221	26,227	12,229	479,607	17,177	14,970	33,934	11,855	14,529	53,531
Tax from recomputing prior-year work incentive (WIN) credit	1,217	9,171	—	2,699	3,208	45	2	2,760	55	7	(*)	28	—	367
Additional tax for tax preferences	10,661	432,471	5,856	3,605	22,159	5,159	5,342	34,630	4,180	2,285	13,336	4,985	2,179	17,178
Foreign tax credit	6,044	36,827,331	97,954	50,098	393,181	231,288	67,382	35,203,712	109,823	59,821	146,085	50,300	37,527	380,158
U.S. possessions tax credit	586	1,376,124	15,427	8,034	28,638	14,427	105,398	11,166,332	11,600	8,948	18,284	35,786	11,337	87,108
Investment credit	791,487	14,634,672	199,315	256,880	606,338	271,033	158,380	11,166,332	295,895	161,321	417,626	174,097	225,883	701,572
Work incentive (WIN) credit	6,210	27,934	447	672	1,792	542	480	14,868	520	349	2,619	1,335	659	3,660
Jobs credit	209,468	1,293,215	132,257	115,431	279,198	168,335	93,555	247,920	24,414	15,822	59,861	24,168	32,008	100,247
Total income tax after credits <sup>2</sup>	962,132	65,886,726	1,316,441	1,449,033	3,760,895	1,925,552	1,304,243	43,148,982	2,299,124	1,234,438	2,445,953	1,209,697	1,370,025	4,422,244
<b>Other Than Forms 1120S and 1120 — DISC</b>														
Number of returns	1,296,646	—	52,878	62,753	128,869	71,353	42,764	459,623	44,258	45,808	99,657	52,511	58,409	177,763
Total receipts	1,206,646	4,689,189,059	105,561,259	114,910,885	266,671,784	149,978,206	75,895,336	2,866,925,795	194,517,907	82,661,799	243,369,807	103,995,029	131,553,787	333,147,411
Net income	1,296,646	304,576,161	4,945,392	5,344,618	13,922,581	7,793,762	5,336,006	221,542,498	3,356,006	4,135,346	9,042,161	4,447,182	4,951,539	15,068,564
Statutory special deductions, total	180,182	9,454,825	301,561	321,928	842,054	528,166	245,546	12,712,828	673,530	298,587	625,522	354,804	338,954	1,039,803
Net operating loss deduction	266,862	9,454,825	262,849	275,689	710,369	403,596	165,949	5,257,749	330,188	257,749	515,778	300,874	288,835	687,421
Total special deductions	91,141	8,558,171	47,712	46,229	131,685	124,570	79,597	7,455,079	337,342	40,839	108,744	53,929	50,118	352,382
Western Hemisphere Trade Corporation deduction	947	133,554	357	4,660	4,172	2,335	186	116,522	117	2,009	2,009	65	825	1,899
Income subject to tax, total	1,132,904	279,369,908	4,398,926	4,752,514	12,692,190	6,545,903	4,305,265	205,472,444	6,564,255	3,822,176	7,906,427	3,237,909	4,354,425	14,528,537
Net long-term capital gain taxed at alternative rates	36,710	13,578,633	182,147	197,419	1,176,818	189,963	146,555	9,902,929	314,228	269,562	313,957	198,179	198,179	465,485
Income taxed at normal tax and surtax rates	1,131,422	265,791,275	4,216,779	4,555,094	11,515,372	6,355,940	4,158,709	195,569,215	6,250,027	3,552,614	7,682,470	3,716,522	4,156,246	14,063,052
Income tax, total	1,135,470	119,961,092	1,759,714	1,878,274	5,066,219	2,607,840	1,727,714	90,768,277	2,735,190	1,479,465	3,081,297	1,478,514	1,676,149	5,686,860
Normal tax, surtax, and alternative tax	1,132,904	118,858,280	1,743,160	1,855,036	4,995,524	2,579,747	1,711,952	89,883,412	2,719,965	1,463,437	3,043,159	1,478,514	1,660,730	5,623,914
Tax from recomputing prior-year investment credit	151,402	684,129	10,767	17,063	45,333	23,274	10,757	432,577	12,410	13,853	27,274	10,763	13,305	46,713
Tax from recomputing prior-year work incentive (WIN) credit	1,102	9,151	—	2,699	3,207	45	(*)	2,745	55	7	(*)	28	—	366
Additional tax for tax preferences	10,022	409,532	5,768	3,476	22,125	5,072	5,005	32,543	2,720	2,187	10,864	4,789	2,114	15,967
Foreign tax credit	6,043	36,827,303	97,954	50,098	393,181	231,288	67,382	35,203,695	109,823	59,821	146,085	50,300	37,527	380,158
U.S. possessions tax credit	586	1,376,124	15,427	8,034	28,638	14,427	105,398	11,166,332	11,600	8,948	18,284	35,786	11,337	87,108
Investment credit	791,366	14,634,672	199,315	256,880	606,338	270,952	158,378	11,166,332	295,895	161,321	417,626	174,097	225,883	701,572
Work incentive (WIN) credit	6,210	27,934	447	672	1,792	542	480	14,868	520	349	2,619	1,335	659	3,660
Jobs credit	209,462	1,293,144	132,257	115,431	279,198	168,278	93,555	247,907	24,414	15,822	59,861	24,168	32,008	100,247
Total income tax after credits <sup>2</sup>	934,688	65,802,380	1,314,314	1,447,158	3,757,072	1,922,352	1,302,526	43,104,738	2,292,897	1,233,223	2,436,821	1,208,428	1,368,736	4,414,114
Estimated tax payments	242,014	2,822,498	74,963	104,380	191,218	93,043	59,173	1,661,692	82,396	55,277	130,817	76,111	70,811	222,647
1979 overpayments claimed as a credit	455,281	47,073,035	936,755	993,454	2,543,079	1,425,066	906,594	31,459,048	1,446,206	833,292	1,714,633	801,583	908,131	3,105,182
Less: Refund of estimated tax payments	8,054	1,373,520	23,927	20,874	98,483	51,896	20,185	833,253	105,044	11,091	54,422	21,622	22,926	89,786
Payments with applications for—														
First extension of filing time	143,410	9,445,235	170,850	194,527	615,008	259,858	168,252	6,127,462	456,484	166,619	371,761	175,961	213,172	586,280
Second extension of filing time	25,091	6,138,241	75,810	95,441	397,372	111,500	99,726	4,456,256	294,010	69,177	140,124	61,423	85,058	252,344
Other credits and payments, total <sup>3</sup>	26,124	56,566	811	1,031	3,452	3,909	633	40,851	557	563	1,567	507	492	2,173
Refundable energy credit	410	7,315	12	3	220	46	—	6,857	41	—	—	—	—	—
Tax due at time of filing	621,259	6,693,469	212,659	250,347	478,099	303,850	191,444	3,087,953	253,374	212,501	467,081	255,315	242,558	738,587
Tax overpayment, total	343,956	5,048,286	133,599	170,285	372,512	215,956	103,094	2,872,226	135,070	93,107	280,745	140,148	126,262	403,291

<sup>1</sup>Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>2</sup>Includes full and part-year returns.

<sup>3</sup>Credits include foreign tax, U.S. possessions tax, investment, work incentive (WIN), and jobs credits.

<sup>4</sup>Includes credit for tax paid by regulated investment companies, credit for special fuels, nonhighway gasoline, and lubricating oil, and refundable energy credit.

<sup>5</sup>Less than \$500 per return.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE SMALL BUSINESS CORPORATIONS, FORM 1120S

Table 2.9 — Balance Sheets and Income Statements, by Industrial Division

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	All industrial divisions	Industrial division								
		Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services	Nature of business not allocable
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Number of returns, total.....	514,907	30,280	6,212	54,321	34,240	24,195	180,298	61,735	122,240	*1,386
With net income.....	282,643	16,338	2,120	32,252	19,765	13,985	100,783	33,626	63,070	*704
<b>Total assets.....</b>	<b>85,777,842</b>	<b>8,666,479</b>	<b>2,346,115</b>	<b>9,973,354</b>	<b>8,751,938</b>	<b>4,078,617</b>	<b>29,161,701</b>	<b>9,450,361</b>	<b>13,254,866</b>	<b>*94,412</b>
Cash.....	7,798,782	496,683	319,591	904,704	856,858	318,392	2,729,288	920,515	1,239,043	*13,708
Notes and accounts receivable.....	14,514,030	439,368	486,406	2,444,981	2,191,647	586,294	5,357,112	1,579,817	1,412,383	*16,022
Less: Allowance for bad debts.....	201,132	1,811	*1,480	17,352	38,149	5,490	103,565	10,497	22,784	*5
Inventories.....	17,465,476	959,947	65,105	2,242,293	2,071,363	98,902	11,012,067	361,844	648,646	*5,308
Investments in Government obligations.....										
United States.....	261,170	*7,014	*2,499	*56,337	*27,918	*10,864	85,458	*61,329	*9,750	—
State and local.....	94,086	—	—	*8,505	*44,613	*7,955	*21,487	*11,382	*145	—
Other current assets.....	5,687,069	248,729	125,310	1,183,437	241,812	229,374	894,322	2,125,361	637,788	*935
Loans to stockholders.....	1,433,513	199,891	64,430	210,002	83,421	48,288	311,617	209,088	304,645	*2,132
Mortgage and real estate loans.....	1,299,666	168,556	*5,692	192,299	16,367	*7,782	236,777	542,771	127,767	*1,654
Other investments.....	2,995,114	337,964	70,886	260,875	269,893	95,922	707,998	766,302	483,383	*2,091
Depreciable assets.....	42,071,144	5,057,083	1,561,325	3,424,489	5,040,709	3,624,792	10,842,939	1,602,676	10,875,957	*41,173
Less: Accumulated depreciation.....	17,301,813	2,053,605	668,319	1,643,255	2,413,236	1,266,927	4,696,773	449,950	4,093,636	*16,112
Depletable assets.....	278,615	*83,321	152,559	*843	*17,233	1	8,552	*5,656	*10,451	—
Less: Accumulated depletion.....	34,141	*7,854	17,763	—	*197	1	*3,320	*2,494	*2,512	—
Land.....	6,053,671	2,488,353	92,925	380,103	126,888	78,652	732,048	1,347,590	802,249	*4,863
Intangible assets (amortizable).....	828,522	8,826	7,560	20,423	109,892	61,627	287,968	51,616	262,338	*18,272
Less: Accumulated amortization.....	308,307	9,346	962	7,341	38,491	29,325	101,997	17,097	106,296	*3,452
Other assets.....	2,842,377	237,361	80,350	312,010	143,597	211,513	839,723	344,453	665,549	*7,821
<b>Total liabilities.....</b>	<b>85,777,842</b>	<b>8,666,479</b>	<b>2,346,115</b>	<b>9,973,354</b>	<b>8,751,938</b>	<b>4,078,617</b>	<b>29,161,701</b>	<b>9,450,361</b>	<b>13,254,866</b>	<b>*94,412</b>
Accounts payable.....	13,475,108	304,589	496,665	2,138,833	1,636,669	440,497	5,867,024	1,238,216	1,339,337	*13,279
Mortgages, notes, and bonds payable in less than one year.....	14,189,915	1,532,042	392,885	2,318,276	1,033,986	495,162	5,271,845	1,794,736	1,349,602	*1,381
Other current liabilities.....	6,332,133	174,659	192,277	1,171,658	854,961	282,010	1,951,512	684,125	1,013,241	*7,690
Loans from stockholders.....	10,997,769	934,428	393,852	796,221	907,934	539,782	3,797,224	1,448,570	2,172,605	*7,152
Mortgages, notes, and bonds payable in one year or more.....	20,430,300	2,818,640	382,717	1,497,609	1,684,345	1,547,320	4,851,520	2,355,459	5,247,344	*45,347
Other liabilities.....	2,944,337	297,978	111,631	444,840	173,252	145,035	642,976	605,994	519,857	*2,774
Capital stock.....	10,161,402	1,940,020	102,445	533,393	892,276	418,599	3,587,048	1,135,629	1,547,769	*4,223
Paid-in or capital surplus.....	4,530,191	842,927	355,416	327,514	276,107	279,483	929,731	658,111	856,777	*4,125
Retained earnings, appropriated.....	375,413	69,081	*31,175	40,779	35,365	12,475	88,976	57,484	40,069	*7
Retained earnings, unappropriated.....	3,176,082	-27,734	180,897	405,232	894,588	151,700	1,688,244	-11,952	-110,588	*5,695
Stockholders' undistributed taxable income previously taxed <sup>1</sup> .....	339,139	-194,159	-256,329	379,244	490,868	-193,998	941,700	-408,748	-422,177	*2,740
Less Cost of treasury stock.....	1,173,947	25,991	*37,517	80,246	128,414	39,448	456,098	107,263	298,971	—
<b>Total receipts.....</b>	<b>212,706,226</b>	<b>8,481,959</b>	<b>4,221,304</b>	<b>23,030,957</b>	<b>24,741,787</b>	<b>7,742,175</b>	<b>113,721,649</b>	<b>6,027,879</b>	<b>24,529,375</b>	<b>*209,141</b>
Business receipts.....	208,205,344	7,891,364	4,072,980	22,764,787	24,436,027	7,659,587	112,406,039	4,833,009	23,933,098	*208,455
Interest on Government obligations.....										
United States.....	39,454	4,609	*505	3,124	3,794	*1,210	11,888	12,646	1,677	—
State and local.....	6,305	*73	*909	*521	*2,463	*765	1,277	*7	*289	—
Other interest.....	655,312	63,826	16,257	58,788	58,850	12,927	251,897	121,452	71,175	*137
Rents.....	489,434	33,559	15,101	32,832	19,157	10,811	173,184	107,274	97,515	—
Royalties.....	38,348	6,485	5,297	—	2,073	—	*2,495	*21,815	*184	—
Net short-term capital gain reduced by net long-term capital loss.....	38,503	13,144	*174	*2,632	*620	*111	2,625	15,875	*3,322	—
Net long-term capital gain reduced by net short-term capital loss.....	721,842	197,713	45,317	20,484	85,705	12,441	142,706	135,695	81,634	*147
Net gain, noncapital assets.....	875,002	56,320	33,136	49,240	33,855	22,902	74,557	551,903	53,089	—
Dividends received from domestic corporations.....	20,583	4,798	*379	445	2,658	*201	8,943	1,765	1,396	—
Dividends received from foreign corporations.....	*378	*18	—	—	1	—	*47	*181	*133	—
Other receipts.....	1,615,722	210,050	31,247	98,103	96,585	21,219	645,992	226,259	285,863	*403
<b>Total deductions.....</b>	<b>206,904,343</b>	<b>8,183,784</b>	<b>4,183,294</b>	<b>22,907,292</b>	<b>23,965,665</b>	<b>7,697,598</b>	<b>112,154,483</b>	<b>5,530,645</b>	<b>24,079,902</b>	<b>*201,680</b>
Cost of sales and operations.....	150,357,861	5,303,254	2,566,015	17,781,312	18,459,962	5,244,056	86,566,332	1,215,673	13,120,181	*101,075
Compensation of officers.....	8,773,515	245,335	116,251	1,019,981	1,091,539	343,001	3,199,542	657,490	2,090,231	*10,146
Repairs.....	1,466,059	215,471	160,826	164,033	135,274	*2,643	431,546	32,728	322,332	*1,206
Bad debts.....	390,179	3,029	24,095	36,695	43,407	13,544	174,066	48,760	46,426	*156
Rent paid on business property.....	3,923,446	263,657	31,295	176,611	279,844	246,616	1,806,095	148,459	961,567	*9,303
Taxes paid.....	4,391,520	187,786	122,338	587,011	534,309	201,348	1,681,435	170,191	898,017	*9,087
Interest paid.....	3,301,141	383,629	98,279	312,014	277,080	175,627	1,108,449	286,329	656,870	*2,865
Contributions or gifts.....	51,254	2,766	1,425	7,574	8,114	1,531	19,802	3,261	6,764	*17
Amortization.....	51,221	1,238	348	2,112	2,994	1,529	14,075	4,176	24,464	*287
Depreciation.....	4,342,964	497,174	209,416	411,288	503,251	376,652	1,145,315	143,317	1,052,259	*4,292
Depletion.....	58,212	*789	47,174	*3,744	*25	66	*2,867	*3,300	*247	—
Advertising.....	1,644,546	*20,985	4,043	62,834	123,317	35,359	942,777	155,735	298,651	*844
Pension, profit-sharing, stock bonus, and annuity plans.....	370,672	7,305	11,940	40,125	71,535	11,628	132,024	13,794	82,322	—
Employee benefit programs.....	654,177	13,861	21,045	92,712	110,468	29,970	212,289	33,953	139,244	*635
Net loss, noncapital assets.....	101,065	9,331	286	12,409	13,148	5,904	26,247	6,393	27,347	—
Other deductions.....	29,026,510	1,028,176	768,518	2,196,838	2,311,397	1,008,125	14,691,620	2,607,088	4,352,982	*61,787
<b>Total receipts less total deductions.....</b>	<b>3,801,883</b>	<b>298,175</b>	<b>38,010</b>	<b>123,665</b>	<b>776,122</b>	<b>44,577</b>	<b>1,567,166</b>	<b>497,235</b>	<b>449,473</b>	<b>*7,461</b>
Net income (less deficit).....	3,795,578	298,101	37,101	123,144	773,659	43,812	1,565,889	497,228	449,184	*7,461
Net income.....	8,591,205	662,007	277,455	816,865	1,239,736	333,201	2,918,194	895,151	1,439,389	*9,207
Distributions to stockholders.....										
Cash and property except in own stock.....	3,180,183	231,258	139,464	260,980	505,695	98,904	957,174	370,386	613,956	*2,366
Corporation's own stock.....	*5,184	—	—	—	*1,384	—	*3,800	—	—	—

<sup>1</sup>Estimate should be used with caution because of the small number of sample returns on which it is based.<sup>2</sup>This item is reflected in the statistics for "Retained earnings, unappropriated" and "Net worth" in other tables which show these items.

NOTE Active Small Business Corporations filing Form 1120S returns reported "Income subject to tax" of \$1,033,000 and "Income tax" of \$178,000, including "Additional tax for tax preferences" of \$178,000. Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE DOMESTIC INTERNATIONAL SALES CORPORATIONS, FORM 1120 — DISC

Table 2.10 — Number of Returns, Selected Balance Sheet and Income Statement Items, and Distributions to Stockholders, by Selected Industrial Divisions

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	All industrial divisions <sup>1</sup>	Selected industrial divisions				
		Wholesale and retail trade			Finance, insurance, and real estate	Services
		Total <sup>2</sup>	Wholesale trade	Retail trade		
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns, total.....	6,066	7,673	7,648	*25	156	112
With net income.....	7,196	8,962	8,943	*19	139	84
Total assets.....	24,263,916	23,513,411	23,496,540	*14,863	481,860	264,545
Notes and accounts receivable, net.....	14,962,928	14,531,968	14,527,303	*4,666	258,816	169,661
Inventories.....	1,601,471	1,595,000	1,594,564	*437	*3,858	*2,582
Cash, Government obligations, and other current assets.....	550,371	535,663	533,121	*2,542	2,584	11,668
Other investments and loans.....	4,794,035	4,523,386	4,516,540	*6,846	199,115	*71,534
Depreciable assets.....	83,676	82,956	82,925	*32	*28	*685
Less: Accumulated depreciation.....	26,490	26,177	26,154	*23	*23	*288
Accounts and notes payable.....	2,343,230	2,327,510	2,324,255	*3,255	1,895	12,568
Other current liabilities.....	975,177	969,766	969,678	*88	*2,169	3,004
Mortgages, notes, and bonds payable in one year or more.....	212,873	211,927	211,927	—	—	*664
Net worth.....	20,337,142	19,624,564	19,613,045	*11,520	477,266	232,991
Total receipts.....	43,609,794	43,414,621	43,385,451	*26,170	42,566	150,666
Business receipts.....	42,432,315	42,292,634	42,265,058	*27,577	*2,009	137,671
Total deductions.....	35,190,600	35,137,599	35,112,904	*24,894	1,781	49,112
Cost of sales and operations.....	32,960,792	32,931,831	32,908,047	*23,785	*60	27,589
Taxes paid.....	50,546	48,155	48,097	*58	879	1,475
Interest paid.....	87,336	87,269	87,261	*9	*35	*13
Depreciation.....	7,848	6,821	6,818	*2	—	*1,026
Pension, profit-sharing, stock bonus, and annuity plans.....	10,612	10,263	10,263	—	—	*350
Employee benefit programs.....	7,516	7,362	7,362	—	—	*154
Net income (less deficit).....	8,445,416	8,285,205	8,281,730	*3,475	58,823	101,554
Net income.....	8,482,395	8,321,797	8,318,321	*3,476	58,923	101,563
Total statutory special deductions.....	1,923	1,904	1,904	—	*15	—
Tax deferred income and income taxable to stockholders.....	8,222,021	8,061,445	8,057,969	*3,476	58,908	101,561
Distributions to stockholders in cash.....	4,046,684	3,978,409	3,975,601	*2,808	30,664	37,353

\*Estimate should be used with caution because of the small number of sample returns on which it is based

<sup>1</sup>Includes "Nature of business not allocable" which is not shown separately<sup>2</sup>Includes "Wholesale and retail trade not allocable" which is not shown separately

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data"



# RETURNS OF MEMBERS OF CONTROLLED GROUPS, OTHER THAN FORM 1120 — DISC

Table 2.11 — Number of Returns, Total Assets, Total Receipts, Net Income (Less Deficit), and Total Income Tax, by Selected Industrial Divisions

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	All industrial divisions <sup>1</sup>	Selected industrial divisions										Finance, insurance, and real estate	Services	
		(1)	Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale and retail trade			(10)			(11)
								Total <sup>2</sup>	Wholesale trade	Retail trade				
<b>Total returns of members of controlled groups, other than Form 1120-DISC:</b>														
Number of returns	333,778	5,244	4,541	24,361	42,040	97,880	16,101	97,880	42,876	54,931	85,911	55,813		
Total assets	5,241,640,950	10,621,031	101,349,292	61,188,647	1,405,325,588	340,249,502	616,834,240	340,249,502	173,326,490	166,939,960	2,615,888,772	89,595,887		
Total receipts	3,971,467,988	17,984,664	116,955,697	106,675,273	1,881,457,595	976,237,547	385,311,610	976,237,547	538,033,234	437,004,277	386,327,729	99,885,027		
Intergroup domestic dividends received qualifying for 100 percent deduction under Code section 1561:														
Number of returns	2,143	—	7	61	394	522	24	522	275	247	842	293		
Amount	2,716,700	—	66,448	2,698	483,896	513,603	18,497	513,603	265,517	248,086	1,600,224	33,335		
Net income (less deficit)	225,784,788	326,117	42,604,617	2,635,052	118,793,591	20,037,175	16,717,300	20,037,175	10,176,344	9,859,160	19,907,738	4,692,000		
Net income	243,771,271	692,796	43,655,021	3,651,715	124,938,536	22,926,854	19,199,298	22,926,854	11,890,639	11,026,003	22,799,921	5,834,452		
Total income tax	102,986,913	229,022	19,850,427	1,356,138	53,941,751	9,195,581	8,400,146	9,195,581	4,752,173	4,438,776	7,774,286	2,216,856		
Distributions to stockholders except in own stock	66,559,273	66,754	2,838,684	361,947	36,566,574	3,056,121	14,237,863	3,056,121	861,294	2,194,759	8,493,211	932,414		
<b>Consolidated returns:</b>														
Number of returns	53,197	709	1,387	3,922	11,591	15,099	2,518	15,099	7,273	7,797	11,429	6,520		
Number of subsidiary corporations	135,807	1,285	3,271	7,778	34,133	36,140	9,345	36,140	14,296	21,795	26,313	17,519		
Total assets	4,534,727,955	6,702,034	91,229,522	40,430,106	1,294,877,013	224,697,143	589,457,841	224,697,143	109,842,391	114,644,607	2,217,252,860	69,934,197		
Total receipts	3,216,665,380	12,624,469	105,399,170	61,677,987	1,701,229,445	827,273,210	357,035,299	827,273,210	349,319,607	276,884,521	280,582,461	70,715,115		
Net income (less deficit)	194,862,651	270,103	41,692,928	1,484,392	107,339,691	11,563,907	15,576,816	11,563,907	5,047,278	6,514,927	13,253,538	3,676,344		
Net income	207,710,547	423,731	42,455,161	2,052,758	112,468,386	13,145,300	17,769,793	13,145,300	5,965,110	7,171,017	15,108,212	4,282,274		
Total income tax	89,295,537	155,393	19,362,941	788,647	48,716,828	5,510,898	7,833,904	5,510,898	2,441,709	3,065,037	5,193,461	1,731,480		
Distributions to stockholders except in own stock	58,771,967	51,875	2,389,143	239,949	33,565,820	1,901,234	13,573,297	1,901,234	488,749	1,412,444	6,310,228	740,316		

<sup>1</sup>Includes "Nature of business not allocable" which is not shown separately. Includes "Wholesale and retail trade not allocable," which is not shown separately.

NOTE See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# **RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORM 1120-DISC**

**Table 2.12 — Investment Credit and Selected Items, by Selected Industrial Divisions**

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	All industrial divisions (1)	Selected industrial divisions									
		Agriculture, forestry, and fishing (2)	Mining (3)	Construction (4)	Manufacturing (5)	Transportation and public utilities (6)	Wholesale and retail trade			Finance, insurance, and real estate (10)	Services (11)
							Total <sup>2</sup> (7)	Wholesale trade (8)	Retail trade (9)		
<b>Number of returns of active corporations, other than Form 1120-DISC:</b>	<b>2,548,728</b>	<b>83,489</b>	<b>23,919</b>	<b>249,887</b>	<b>236,564</b>	<b>103,770</b>	<b>784,925</b>	<b>258,098</b>	<b>505,415</b>	<b>471,066</b>	<b>603,333</b>
<b>Returns with investment credit items, other than Forms 1120S and 1120-DISC:</b>											
Cost of property used for investment credit:											
Number of returns	1,067,470	38,055	11,061	119,043	139,363	45,715	346,968	133,125	213,526	105,674	259,151
Amount	220,263,870	2,388,031	5,765,099	6,807,455	80,682,858	80,115,429	20,005,518	9,065,111	10,915,325	12,169,876	12,260,238
Investment qualified for credit:											
Number of returns	1,067,287	38,055	11,061	119,043	139,363	45,715	346,785	133,125	213,343	105,674	259,151
Amount	180,610,117	2,125,934	5,148,534	5,296,021	70,776,048	61,734,892	16,445,313	7,318,223	9,108,190	10,073,591	8,956,878
Tentative investment credit, total:											
Number of returns	1,067,543	38,055	11,061	119,043	139,363	45,715	347,041	133,162	213,562	105,674	259,151
Amount	19,020,435	212,660	529,707	532,636	7,452,359	6,709,775	1,666,674	735,305	929,479	1,009,424	901,909
10 percent tentative investment credit											
Number of returns	1,067,369	38,055	11,061	119,043	139,348	45,561	347,041	133,162	213,562	105,669	259,151
Amount	18,026,113	212,543	514,765	526,946	7,073,149	6,168,437	1,643,350	731,161	910,299	986,333	893,289
7 percent tentative investment credit											
Number of returns	379	**	—	**	50	230	*37	*29	*16	44	**
Amount	7,586	**	—	**	1,376	5,268	*830	*829	*6	74	**
Additional tentative credit for Employee Stock Ownership Plans:											
1 percent additional tentative investment credit for qualifying stock ownership plans:											
Number of returns	1,438	**58	37	53	342	226	493	442	51	162	87
Amount	806,461	*99	13,959	3,562	308,513	437,550	17,942	2,772	15,170	17,316	7,530
5 percent additional tentative investment credit for qualifying stock ownership plans:											
Number of returns	324	—	10	**	63	119	27	*15	12	100	**
Amount	180,275	—	983	**	69,320	98,520	4,552	*543	4,009	5,700	**
Patron's regular investment credit:											
Number of returns	8,294	2,542	*21	540	145	200	4,307	1,566	2,741	223	*316
Amount	20,141	1,714	*95	1,584	1,958	1,293	10,521	6,745	3,776	1,525	*1,450
Tentative investment credit:											
Number of returns	1,059,795	38,407	11,061	118,547	137,471	45,642	345,050	132,505	212,228	104,828	256,349
Amount	19,039,819	214,352	529,802	534,207	7,454,158	6,711,063	1,677,028	742,003	933,135	1,010,851	903,067
Carryback or carryover of unused credit											
Number of returns	326,891	16,441	4,135	32,791	42,945	21,607	88,827	25,864	62,880	31,479	87,609
Amount	9,933,768	183,359	661,940	267,363	3,626,989	3,391,212	591,933	289,727	300,058	452,831	756,748
Investment credit	14,634,672	121,407	270,126	366,108	7,120,231	4,055,857	1,328,438	594,219	732,893	807,447	561,508

\*Estimate should be used with caution because of the small number of sample returns on which it is based

\*\*Data deleted to avoid disclosure of information for specific corporations. Deleted data are included in the appropriate totals

<sup>1</sup>Includes "Nature of business not allocable" which is not shown separately

<sup>2</sup>Includes "Wholesale and retail trade not allocable" which is not shown separately

<sup>3</sup>Less than \$500 per return.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



## RETURNS OF ACTIVE CORPORATIONS

Table 2.13 — Tax Items: Number of Returns by Selected Types of Tax, Dividend Items, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Payments, and Small Business Corporations (Form 1120S), by Selected Industrial Divisions

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	Selected industrial divisions									
	All individual divisions <sup>1</sup>	Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale and retail trade			Finance, insurance, and real estate
							Total <sup>2</sup>	Wholesale trade	Retail trade	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Number of Returns With Income Tax</b>										
Number of returns with —	1,162,947	32,676	9,207	111,591	128,981	39,606	357,235	143,189	213,506	270,899
Income tax, total	—	—	—	—	—	—	—	—	—	—
Form 1120S	1,132,937	31,339	8,039	108,173	124,863	38,581	348,547	140,024	208,020	264,679
Normal tax, surtax, and alternative tax before credits	178,508	8,831	3,690	21,483	30,881	8,325	59,335	28,636	30,700	28,746
Tax from recomputing prior-year investment credit	1,217	69	21	83	36	115	682	466	216	553
Tax from recomputing prior-year work incentive (WIN) credit	—	—	—	—	—	—	—	—	—	—
Total income tax after —	962,832	25,168	7,564	89,557	108,003	29,019	307,358	127,219	179,600	199,887
Investment, work incentive (WIN), and jobs credits	962,139	25,167	7,547	89,547	107,584	29,010	307,245	127,123	179,583	199,623
Foreign tax, U.S. possessions tax, investment, work incentive (WIN), and jobs credits	—	—	—	—	—	—	—	—	—	—
<b>Returns With and Without Net Income</b>										
Number of returns	2,556,794	83,489	23,919	249,887	236,564	103,770	772,598	265,746	505,440	603,445
Dividends received from domestic corporations, total	16,824,708	30,388	181,051	96,158	7,069,605	314,895	1,128,074	751,594	376,472	210,953
Qualifying for 85 percent deduction	9,368,673	18,016	87,448	64,341	2,436,594	269,316	237,275	129,468	107,799	115,319
Amount certain public utility stock qualifying for 60/20 percent deduction	17,205	—	—	—	4	14	273	—	94	65
Intergroup dividends qualifying for 100 percent deduction	2,740,823	—	66,448	2,698	489,062	18,497	514,341	248,223	161,640	33,819
Amounts received from DISCS or former DISCS	4,677,224	7,576	28,776	26,671	4,141,045	26,858	367,242	147,778	19,394	59,655
Domestic dividends received (1120S)	20,583	4,798	379	445	2,658	201	8,943	3,365	5,578	1,396
Dividends received from foreign corporations, total	12,713,087	12,293	205,955	212,301	11,161,924	153,920	367,448	240,949	126,499	112,475
Amount qualifying for 85 percent deduction	1,770	2	25	70	281	29	213	50	154	385
Intergroup dividends qualifying for 100 percent deduction	230,110	—	25	212,231	196,053	820	13,847	1,877	11,970	3,904
Other foreign dividends	12,480,928	12,264	205,929	212,231	10,965,590	153,071	353,342	239,007	114,334	108,054
Foreign dividends received (1120S)	—	—	—	—	—	—	—	—	—	—
Constructive taxable income from related foreign corporations, total	12,524,077	6,363	150,953	157,227	10,331,725	193,283	1,266,643	1,171,382	115,260	93,833
Includable income of Controlled Foreign Corporations	2,224,402	1,644	45,730	21,061	1,844,072	82,410	145,524	119,867	25,657	21,688
Foreign dividend income resulting from foreign taxes deemed paid	10,299,675	4,739	105,222	136,166	8,487,653	110,874	1,121,118	1,051,515	89,603	72,145
Net income (less deficit)	284,615,731	1,299,975	43,058,598	5,985,390	130,370,486	18,355,036	40,181,385	25,753,036	36,959,270	8,306,989
Statutory special deductions, total	263,765	583,303	845,148	5,551,706	869,477	869,477	2,287,198	1,159,312	1,127,736	6,840,295
Net operation loss deduction	18,294,208	247,942	428,743	787,547	2,681,707	1,555,153	7,777,026	3,777,026	4,000,000	1,036,304
Dividends received deduction	8,672,078	15,312	140,804	57,436	2,756,129	246,263	728,539	376,169	352,344	899,295
Deduction for dividends paid on certain public utility stock	13,554	570	13,519	164	111,129	2,685	3,465	3,421	44	1,131
Western Hemisphere Trade Corporation deduction	—	—	—	—	—	—	—	—	—	—
Income subject to tax	279,376,063	1,675,005	44,043,763	7,250,371	133,051,526	20,774,791	34,687,843	18,630,507	18,081,038	9,554,446
Income tax, total	50,843	50,843	20,010,938	2,545,393	58,976,752	9,232,551	13,419,871	7,208,553	6,114,457	3,723,418
Normal tax, surtax, and alternative tax	118,860,900	518,736	20,089,901	2,545,393	58,474,675	9,070,860	13,283,128	7,235,128	6,051,119	3,278,925
Tax from recomputing prior-year investment credit	744,915	10,897	21,108	29,814	335,371	150,233	108,703	52,578	56,046	42,229
Tax from recomputing prior-year work incentive (WIN) credit	9,171	—	32	78	401	126	756	3,174	4,387	359
Additional tax for tax preferences	432,649	1,212	98,979	5,589	166,305	31,272	10,474	7,569	2,904	2,005
Foreign tax credit	36,827,331	14,223	18,718,612	169,840	15,286,370	315,096	891,394	763,182	128,212	142,072
U.S. possessions tax credit	1,376,124	—	872	1,132	1,252,346	33,377	78,141	73,370	4,772	6,234
Investment credit	14,634,672	121,407	270,126	366,108	7,120,231	4,055,857	1,328,438	594,219	732,893	807,449
Work incentive (WIN) credit	27,934	53	84	998	16,083	851	3,575	924	2,652	4,811
Jobs credit	1,293,215	19,098	14,744	209,127	402,790	43,203	359,373	137,896	221,346	186,234
Total income tax after —	104,091,213	390,291	19,925,065	1,969,160	51,437,648	5,152,599	11,728,484	6,585,515	5,157,565	2,570,865
Investment, work incentive (WIN), and jobs credits	65,887,759	376,068	1,205,582	1,798,188	34,898,832	4,804,126	10,758,948	5,728,963	5,024,581	2,422,559
Foreign tax, U.S. possessions tax, investment, work incentive (WIN) and jobs credits	—	—	—	—	—	—	—	—	—	—
Personal Holding Company tax	5,189	—	81	248	680	410	258	156	102	181
Estimated tax payments, net total	48,904,317	208,866	734,601	1,121,690	26,281,677	3,355,769	7,998,340	4,129,730	3,866,566	1,739,142
1978 overpayments claimed as a credit	2,981,709	24,907	47,729	114,028	1,344,877	222,845	614,921	335,175	278,688	165,789
1979 estimated tax payments	47,648,540	193,319	701,724	1,060,954	25,720,645	3,242,174	7,705,766	3,941,835	3,765,946	1,629,625
Less: Refund of estimated tax payments	1,725,847	9,360	14,852	53,233	763,848	109,250	326,358	179,074	179,074	56,284
Payments with applications for —	—	—	—	—	—	—	—	—	—	—
First extension of filing time	9,502,981	63,802	258,298	282,703	5,140,638	794,730	1,463,133	771,125	691,338	390,956
Second extension of filing time	6,155,575	13,197	187,791	75,790	3,730,268	606,449	670,005	293,738	376,267	189,579
Credit for tax paid by regulated investment companies	5,583	18	1,015	1,022	42	1,022	101	97	4	37
Credit for tax on special fuels, nonhighway gasoline, and lubricating oil	53,012	6,732	2,710	3,632	21,166	11,811	3,567	1,898	1,660	2,400
Refundable energy credit	10,285	168	1,626	591,853	1,972,841	381,368	1,826,793	1,151,952	671,956	452,841
Tax due at time of filing	6,726,106	146,165	162,636	277,451	2,248,227	349,418	1,202,807	619,237	583,365	352,496
Tax overpayment	5,464,865	62,726	141,439	277,451	2,248,227	349,418	1,202,807	619,237	583,365	352,496
<b>Returns of Small Business Corporations, Form 1120S</b>										
Number of returns	514,907	30,280	8,212	54,321	34,240	24,195	180,298	49,594	130,553	122,240
Net income	282,643	16,338	2,120	32,252	19,765	13,985	100,783	31,970	68,662	63,070
Number of returns	8,591,205	682,007	277,455	333,201	1,239,736	333,201	1,366,803	319,889	1,541,575	1,439,389
Amount	4,795,827	383,906	240,355	893,722	466,077	289,389	1,352,305	286,116	1,066,166	990,205
Deficit	—	—	—	—	—	—	—	—	—	—
Income subject to corporation tax	—	—	—	—	—	—	—	—	—	—
Income tax, total	—	—	—	—	—	—	—	—	—	—
Normal tax, surtax, and alternative tax	—	—	—	—	—	—	—	—	—	—

\*Estimate should be used with caution because of the small number of sample returns on which it is based

\*\*Data deleted to avoid disclosure of information for specific corporations. Deleted data are included in the appropriate totals

Includes "Nature of business not allocable" which is not shown separately

Includes "Wholesale and retail trade not allocable" which is not shown separately

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

**RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORM 1120-DISC**  
**Table 2.14 — Selected Business Energy Investment Credit Items, by Selected Industrial Divisions**

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	All industrial divisions (1)	Agriculture, forestry, and fishing (2)	Mining (3)	Construction (4)	Manufacturing (5)	Transportation and public utilities (6)	Selected industrial divisions			Finance, insurance, and real estate (10)	Services (11)
							Total <sup>1</sup> (7)	Wholesale and retail trade			
								Wholesale trade (8)	Retail trade (9)		
<b>Number of returns other than Form 1120-DISC.....</b>	<b>2,548,728</b>	<b>83,489</b>	<b>23,919</b>	<b>249,887</b>	<b>236,564</b>	<b>103,770</b>	<b>764,925</b>	<b>258,098</b>	<b>505,415</b>	<b>471,066</b>	<b>603,333</b>
Returns with business energy investment credit items, other than Forms 1120S and 1120-DISC.											
Number of returns	5,534	148	23	140	2,456	237	1,543	822	721	577	410
Cost of property usable for nonrefundable energy credit, total											
Number of returns	5,111	112	33	143	2,327	175	1,557	822	735	376	388
Amount	2,816,597	5,073	38,213	29,144	2,397,411	97,560	203,740	161,432	42,308	23,182	22,273
Alternative energy property											
Number of returns	978	..	12	..	643	..	160	125	35	84	37
Amount	1,228,855	..	22,629	..	1,111,187	..	38,469	30,998	7,471	5,985	4,239
Specialty defined energy property											
Number of returns	2,458	*107	12	22	1,109	68	649	177	472	243	248
Amount	833,777	*3,495	5,990	2,657	737,449	32,114	34,822	10,187	24,635	9,524	7,725
Recycling equipment											
Number of returns	1,643	..	..	97	560	90	734	506	228	49	*103
Amount	687,705	..	..	18,946	494,015	26,340	123,543	113,340	10,202	7,674	*10,309
Shale oil equipment											
Number of returns	11	..	..	..	..	..	3	3	..	..	..
Amount	9,443	..	..	..	..	..	1,103	1,103	..	..	..
Equipment for producing natural gas from geopressured brine											
Number of returns	21	..	..	..	..	..	*11	*11	..	..	..
Amount	56,817	..	..	..	..	..	*5,805	*5,805	..	..	..
Cost of property usable for refundable energy credit, solar and wind											
Number of returns	544	*37	..	..	317	*75	28	*17	*11	53	..
Amount	41,868	*159	..	..	8,842	*29,672	553	*140	*413	1,703	..
Patron's nonrefundable business energy investment credit											
Number of returns	31	..	..	..	8	..	7	..	..	..	..
Amount	864	..	..	..	189	..	445	..	..	..	..
Current year nonrefundable business energy investment credit											
Number of returns	4,860	*110	22	140	2,182	166	1,491	793	698	369	380
Amount	263,550	*507	3,747	2,841	222,109	9,742	19,996	15,922	4,074	2,264	2,343
Carryover and carryback of unused credits											
Number of returns	130	..	..	..	29	*15	37	*19	*18	*43	..
Amount	6,128	..	..	..	4,497	*336	232	*135	*97	*213	..
Nonrefundable energy credit											
Number of returns	5,061	*111	22	140	2,192	166	1,522	808	714	528	380
Amount	269,692	*520	4,552	2,841	226,606	10,078	20,229	16,057	4,171	2,491	2,375
Refundable energy credit											
Number of returns	524	*37	..	..	298	*75	*26	*17	*9	54	..
Amount	10,265	*16	..	..	1,001	*2,967	*58	*18	*40	6,116	..
Returns of small business corporations, Forms 1120S, with business energy investment credit items.											
Number of returns	*393	*36	..	*11	..	..	..	..	..	..	*337
Cost of property usable for nonrefundable energy credit by stockholders	*2,367	*40	..	*1,320	..	..	..	..	..	..	*809

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup>Data deleted to avoid disclosure of information for specific corporations. Deleted data are included in the appropriate totals.

<sup>2</sup>Includes "Nature of business not allocable," which is not shown separately.

<sup>3</sup>Includes "Wholesale and retail trade not allocable," which is not shown separately.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."



The following explanations include definitions and limitations of terms used, and adjustments made in preparing the statistics. These explanations are designed to aid the user in interpreting the statistical content of this report and should not be construed as interpretations of the Internal Revenue Code or policies. Code sections cited were those in effect for the Income Years of the report. Whenever a year is cited, it refers to the calendar year, unless otherwise stated.

The instructions for the tax forms in section 6 will provide additional information about many items. Finally, definitions marked with the symbol (#) have been modified from prior reports to reflect processing or tax law changes.

#### Accounting Periods

Among the several classifications used in this report, tax return data are classified according to the accounting periods used by corporations. For a detailed discussion of this classification, see "Time Period Employed" in section 1.

#### Accounts and Notes Payable

This item consisted of accounts payable and mortgages, notes, and bonds payable in less than one year. Each is described separately under its own heading below.

#### Accounts Payable

Relatively short-term liabilities arising from the conduct of trade or business which were not secured by notes of indebtedness were generally included under this heading. Nontrade payables, on the other hand, were generally includable in the estimates for "Other Current Liabilities."

Banks and savings institutions may have reported deposits and withdrawable shares in accounts payable. When these amounts could be identified, they were transferred to "Other Current Liabilities."

#### Additional Tax for Tax Preferences (#)

Additional tax for tax preferences, the so-called "minimum tax," was intended to make possible the taxation, to some extent, of selected income and deduction items (described by law as "tax preferences") afforded special tax treatment in the computation of taxable income.

For the most part, the 15 percent tax was levied on the sum of a corporation's tax preferences which exceeded \$10,000 or the current-year income tax reduced by foreign tax credit, investment credit, U.S. possessions tax credit, work incentive (WIN) credit and jobs credit. The carryover of regular taxes as an offset to preference income was discontinued (except for taxes due to income from timber) for tax years beginning after June 30, 1976.

Tax preference items were: (1) accelerated depreciation (depreciation in excess of the amount computed under the straight-line method allowed on

personal property subject to a lease, low-income rental housing, and other real property); (2) amortization (special rapid write-offs in excess of what otherwise would have been a depreciation deduction under Code section 167 for certified pollution control facilities, railroad rolling stock, on-the-job training facilities, and child care facilities); (3) reserves for losses on bad debts of financial institutions (additions to reserves for bad debts in excess of actual bad debt losses, based on prescribed rules); (4) depletion (depletion deduction in excess of the cost or other basis of the property, reduced by depletion taken in prior years); (5) capital gains (net long-term capital gain in excess of net short-term capital loss when this amount was taxed at the special lower capital gains rate; the preference item was the excess net long-term gain multiplied by a ratio of the regular tax rate of 46 percent less the rate applicable to capital gains, generally 28 percent for taxable years ending after December 31, 1978, (see the discussion under Changes in Law in section 2) to the regular corporate rate of 46 percent); and (6) intangible drilling costs. Tax preferences for "accelerated depreciation subject to a lease" and "intangible drilling costs" were not applicable to corporations other than Small Business Corporations electing to be taxed through their stockholders and Personal Holding Companies.

There were also special rules in effect for timber income, including both gains from the cutting of timber and the long-term gains from the sale of timber. These rules provided that the items of tax preference for timber gains be reduced by one-third and then further reduced by \$20,000. Then the regular tax deduction was reduced by the lesser of one-third, or the preference reduction described above. These adjustments compensated for the general minimum tax rate increase brought about by the Tax Reform Act of 1976 by scaling down the entire minimum tax base, as it related to timber, by one-third, and then subjecting that lower base to the new 15 percent tax rate (one-third more than the old 10 percent rate). The reduction in timber preference by the additional \$20,000 effectively increased the exemption to \$30,000.

Also, the regular tax deduction carryover remained in effect for that portion of the corporation's prior-year income tax attributable to timber income. If for any taxable year the taxes imposed on a corporation that were attributable to income from timber exceeded the items of tax preference for that year, then the amount of the excess could be used to offset tax preferences over the next 7 years.

In general, all corporations were liable for the additional tax. However, regulated investment companies and real estate investment trusts were subject to the tax only on amounts attributable to tax preferences not passed through to their stockholders for taxation. Small Business Corporations electing to be taxed through their stockholders were liable for the

additional tax only on certain capital gains, on accelerated depreciation subject to a lease, and on intangible drilling costs. All other items of tax preference for these corporations were passed on to the stockholders for taxation. However, members that were Domestic International Sales Corporations (DISC's) were not subject to the additional tax for tax preferences.

In addition, members of a controlled group of corporations filing separate returns were required to apportion a single \$10,000 statutory exclusion among the members of the group either equally or based on a plan adopted for all members. The Revenue Act of 1978 revised the method of computing the exemption from the additional tax for tax preferences for members of controlled groups of corporations. The \$10,000 exemption was allocated to each of the component members of the group in proportion to each member's regular tax deduction.

#### Advertising (#)

Advertising expenses were allowable as a deduction under Code section 162, if they were ordinary and necessary and bore a reasonable relation to the trade or business of the corporation. The amount shown in the statistics includes advertising identified as a cost of sales and operations as well as advertising reported separately as a business deduction.

The types of expenditures covered by the advertising deduction may have varied somewhat from company to company and a few companies did not separately identify advertising when it was included in the cost of sales and operations. In addition, certain kinds of advertising expenditures, such as for billboards, were capitalized and recovered only as part of depreciation.

#### Allowance for Bad Debts

Most corporations identified on their balance sheet the allowance or reserve set aside to cover uncollectible or doubtful notes, accounts, and loans as an adjustment to notes and accounts receivable. A few corporations, however, reported only net receivables and, thus, did not show their allowance for bad debts. In addition, tax return balance sheets used by life and certain mutual insurance companies did not require the allowance to be reported. Both the statistics for the allowance and for the gross amount of "Notes and Accounts Receivable" are understated by these unidentified amounts.

Since corporation tax return balance sheets did not provide for the separate reporting of reserves for uncollectible mortgage and real estate loans, many banks and savings and loan associations may have included the item in the allowance for bad debts. If, on the other hand, these reserves were reported in supporting schedules, they were later added to the allowance for bad debts during statistical processing.

#### Alternative Tax

See "Income Tax."

#### Amortization (#)

Amortization was a deduction for recovery of certain expenditures over a certain period of time in a manner similar to straight-line depreciation. Typically, the period of time over which the expenditure was written off was much shorter than if depreciation had been used; often, depending on the specific provision of the law, the period of time was only 60 months. The following types of amortization, applicable to the statistics in this report, were specifically mentioned in the Code as allowable deductions:

- bond premiums (section 171)
- child care facilities (section 188)
- coal mine safety equipment (section 187)
- lessee's improvements to leased property (section 178)
- on-the-job training facilities (section 188)
- organizational expenditures of corporations (section 248)
- pollution control facilities (section 169)
- railroad rolling stock (section 184)
- railroad tunnel bores and grading (section 185)
- research and experimental expenditures (section 174)
- trademark and trade name expenditures (section 177).

Of these, amortization of leasehold improvements was frequently reportable as depreciation and amortization of bond premiums (as well as of such other financial items as loan or mortgage costs) was often reported as part of "other deductions." Write-offs of patents, copyrights, and other intangibles were usually included in depreciation. None of these amounts involved rapid write-offs of the assets concerned. Therefore, in order to confine the statistics insofar as possible to rapid write-offs, identifiable amounts reported as amortization that related to leasehold improvements, bond premiums (or other financial items), and intangible assets, and, in addition, to depreciable assets other than those eligible for rapid amortization, were transferred to "depreciation" or "other deductions," as appropriate. (See also "Depreciation" and "Other Deductions.")

The Tax Reduction and Simplification Act of 1977 extended the expiration date of the election to amortize costs of construction of child care facilities from December 31, 1976, to December 31, 1981.

The amounts shown in the statistics include any identifiable amortization (as described above) reported as part of the cost of sales and operations.

See also "Additional Tax for Tax Preferences."

#### Annual Returns

Annual or calendar year returns were those filed for the 12-month period beginning in January and ending in December. Most of the larger corporations filed for this period. Figure C in section 1 shows the percentage of returns filed for each of the accounting periods covered in this report.

#### Bad Debts (#)

Bad debts occurring during the year, or a reasonable addition to an allowance or reserve for bad debts, were allowable as a deduction under Code section 166.

Commercial banks, mutual savings banks, savings and loan associations, small business investment companies and other financial institutions were permitted to take a deduction for a reasonable addition to their bad debt balance which was far greater than that allowed other businesses. Unlike other businesses, which could deduct additions to their reserves only to the extent justified by their actual loss experience, these financial institutions could elect to increase their reserves based on percentages of outstanding loans. However, certain restrictions were introduced in 1969 to begin to bring these institutions in line with other businesses.

For commercial banks, beginning with 1969, deductible additions to the reserves were to decrease in three transitional steps. These steps were to be completed by 1988, at which time the deduction would have to be based on actual losses for the current and



5 preceding years, the same as for other businesses. For taxable years beginning after 1975, but before 1982, the percentage for eligible loans outstanding used as the basis for the deduction was 1.2 percent.

For small business investment companies, deductions for additions to the reserves, using an industry average as the norm, were permitted during the first 10 years of a company's existence. Thereafter, additions to the reserves had to be based on its own experience.

For mutual savings banks, savings and loan associations, and cooperative banks, the deduction was based on a percentage of an adjusted taxable income figure before reduction by the bad debts deduction, provided it did not increase the reserve beyond 6 percent of qualifying loans. The percentage was to decrease from 60 to 40 over a 10-year period, in general, starting with 1970. For 1978, the percentage was 41; for 1979, the percentage was 40.

For banks and other financial institutions, corporate or government debts evidenced by certain bonds which became worthless during the year were chargeable as bad debts under Code section 582. For other corporations, such losses were subject to the special capital gain or loss provisions of the law. See the explanation for "Net Capital Gains" in this section.

Recoveries of bad debts previously deducted by corporations which used the reserve method were netted against the year's bad debts deduction. However, amounts of recovered bad debts reported by corporations which deducted actual bad debts were included in "Other Receipts."

See also "Additional Tax for Tax Preferences."

#### Book Net Income (or Deficit) (#)

This was the after-tax profits as reported in tax return schedules reconciling income per books of account with income per Internal Revenue Code (see Schedule M-1, "Reconciliation of income per books with income per return," on the Form 1120 return facsimile in section 6 of this report), or in the case of most insurance companies, from the annual statements filed with the return.

For the most part, tax law provisions agree with accepted accounting practices and recognize the application of general accounting principles to the conditions and practices of a particular trade or business. However, for certain kinds of income, deductions, or transactions, the law allowed or required special accounting that digressed from generally accepted accounting methods.

Three fundamental reasons account for most of the disparity between tax and book profits: (1) different methods of depreciation or amortization; (2) accounting differences in timing the receipt of income and the expensing of deductions, e.g., installment sales, income from construction contracts, prepaid income or anticipated future losses or expenses, income from foreign subsidiaries and expenses typically capitalized on the books but expensed on the tax return (e.g., intangible drilling costs), or vice versa; and (3) recognition of certain income and deductions for tax purposes only, e.g., the foreign dividend income resulting from foreign taxes deemed paid, or for book purposes only, e.g., interest on State and local Government obligations, lobbying expenses, and certain undistributed profits of foreign subsidiaries.

The data shown are subject to certain limitations. Although all corporations were required to provide data for a reconciliation of profits, some did not include them in their tax returns as originally filed, while others provided them in schedules of their own design from which total book net income could not always be determined. This last group included those consolidated returns in which book net

income was shown separately for each affiliated corporation, but the consolidated net income after reduction by intercompany transactions was not shown. (See "Consolidated Returns" in this section.) Also, net income for tax purposes is likely to be more uniformly determined than net income for book purposes because of the necessity to conform to provisions of the Internal Revenue Code, although complete uniformity is lacking because of the various elections, special treatments, and other provisions in the law.

In addition, book net income was calculated after taxes were deducted. The income tax liability reported on the tax return often differs from the book amount because of the several methods of accounting for taxes on the books. The statistics may be slightly overstated depending on how parent corporations accounted for the earnings of their nonconsolidated subsidiaries. Duplication resulted when the parent reported its equity in subsidiaries in its book net income and the subsidiaries then also reported their individual book net incomes on their own returns.

On an historical basis, both book income and net income are affected by changes in accounting practices by particular companies, in generally accepted accounting principles, and in tax law. Moreover, because more definitive measures of the differences between tax and book profits are not available, there is no way of knowing how much of the difference is permanent (because of different definitions) or only temporary (timing differences would be expected to "wash out" over a number of years).

#### Business Energy Investment Credit (#)

The Energy Act of 1978 created a new business energy investment credit. See the discussion of this credit under Changes in Law in section 2. Tables 1.18 and 2.14 provide data regarding this credit.

#### Business Receipts (#)

Business receipts were, in general, the gross operating receipts of the corporation reduced by the cost of returned goods and allowances.

Business receipts included rents reported as a principal business income by real estate operators and by certain types of manufacturing, public utility, and service corporations. The latter corporations included manufacturers that frequently rented products rather than sold them, such as automatic data processing equipment; lessors of public utility facilities, such as docks, warehouses, and pipelines; and companies engaged in rental services, such as the rental of automobiles or clothing.

Some corporations treated sales taxes and excise and related taxes which were included in the sales price of their products as part of their gross receipts from sales; others reported their receipts after adjustment for these taxes. When treated as receipts, sales taxes and excise and related taxes were deducted on the tax return as part of the cost of sales and operations or were included in the separately itemized deduction for taxes paid. In any case, the receipts as reported by the taxpayer were included in the statistics. See also "Cost of Sales and Operations" and "Taxes Paid."

In the finance, insurance, and real estate industries, business receipts included such banking items as fees, commissions, trust department earnings, exchange collections, discounts, and service charges, when identified in schedules attached to the return. Business receipts also included interest which could not be separately identified as such. (Interest, the principal operating income of banking and savings institutions, is shown separately in the statistics



under "Other Interest" and is, therefore, excluded from business receipts.) Special statistical treatment was required for the few banking institutions which reported the purchase and sale of Federal funds as part of cost of sales and operations and business receipts, respectively. For the statistics, the amount paid by the banking institutions for these funds was excluded from the "Cost of Sales and Operations" and a corresponding amount was excluded from business receipts.

Also in the finance, insurance, and real estate industries, premium income of most insurance companies was included in business receipts. However, certain mutual insurance companies with total receipts of less than \$500,000 were not required to report premium income. Therefore, total business receipts for insurance carriers are slightly understated.

Business receipts included amounts reported as gross receipts on returns of captive finance subsidiaries of certain large manufacturers.

Generally, in the finance, insurance, and real estate industries, income from investments, when identified in schedules attached to the return, was allocated to one of the specific types of investment income for which statistics are shown separately. Rent reported by real estate operators, however, was accepted as business receipts.

Business receipts reported by stock and commodity brokers, dealers, and exchanges, and by real estate subdividers, developers, and operative builders required special statistical treatment. For these operations, net profit or loss from the sale of stocks, commodities, or real estate, when identifiable, was allocated to the statistics for net gain or loss from sales or exchanges of noncapital assets. If the corporation reported both business receipts and cost of sales and operations without identifying the source, and the cost of sales and operations was 50 percent or more of the business receipts, the items were considered to include stock, commodity, or real estate transactions and only the net gain or loss was used for the statistics. Otherwise, business receipts for these companies were used as reported and included commissions and service fees.

Because of a processing error involving a few 1979 returns in the commodity contracts brokers and dealers; security and commodity exchanges; and allied services minor industry group, business receipts are overstated by \$823,041,348, because the adjustment described above was not performed. Net loss, noncapital assets, is overstated by \$806,479,256. Net gain, noncapital assets, is understated by \$16,562,092. While "Total receipts" and "Total deductions" are similarly misstated, "Total Receipts Less Total Deductions" is unchanged.

For Domestic International Sales Corporations (DISC's), business receipts included only "qualified" export receipts, i.e., the sum of (1) gross receipts from noncommission sales of export property, leasing or renting of export property, services related and subsidiary to a qualified export sale or lease, engineering and architectural services, and export management services, and (2) commissions earned by DISC's acting as commission agents for someone else (rather than the gross receipts on which the commissions were earned). In other words, "qualified" receipts were those which were considered to be export-related and as such were the only receipts included in the statistics for business receipts. Receipts not considered to be export-related (i.e., "nonqualified" receipts) were included in "Other Receipts."

In addition to the income types described above which were uniquely treated by law, by the tax return, or for the statistics, there were certain other kinds of income from sales and operations that are not reflected in business receipts. In general, this income was included as part of the much broader category, sales of property used in trade or business.

For additional information about this income, see "Net Capital Gains" and "Net Gain (or Loss), Non-capital Assets."

#### Capital Stock

This end-of-year balance sheet equity item included amounts shown for outstanding shares of both common and preferred stock.

#### Cash

This balance sheet asset item included the amount of actual money or instruments and claims which were usable and acceptable as money on hand at the end of the taxable year.

For Domestic International Sales Corporations (DISC's), this item was the sum of the following accounts shown separately on the tax return: working capital (i.e., cash and necessary temporary investments) and funds awaiting investment (i.e., cash in U.S. banks in excess of working capital needed to acquire other qualified assets).

#### Compensation of Officers

Salaries, wages, stock bonuses, bonds, and other forms of compensation were included in this deduction item if they were identified as having been paid to officers for personal services rendered. Understatement was possible to the extent compensation was reported as part of another deduction item (such as an overall employee compensation figure) and, if not clearly identified, was included in the statistics for "Cost of Sales and Operations" or "Other Deductions."

#### Consolidated Returns (#)

Consolidated returns were income tax returns which contained the combined financial data of two or more corporations meeting the following requirements: (1) a common parent corporation owned at least 80 percent of the voting power of all classes of stock and at least 80 percent of each class of nonvoting stock (except stock which was limited and preferred as to dividends) of at least one member of the group, and (2) these same proportions of stock of each other member of the group were owned within the group.

Corporations electing to file consolidated returns in one year had to file consolidated returns in subsequent years, with certain exceptions. The consolidated filing privilege could be granted to all affiliated domestic corporations connected through stock ownership with a common parent corporation except: (1) regulated investment companies; (2) real estate investment trusts; (3) corporations deriving a large percentage of their gross income from sources within a U.S. possession; (4) corporations designated tax-exempt under Code section 501; and (5) Domestic International Sales Corporations (DISC's). Affiliated insurance companies were allowed to file a consolidated return if they were taxable under the same provisions of the Code; however, noninsurance companies with which they also may have been affiliated could not be included in the same return.

A consolidated return, filed by the common parent company, was treated as a unit, each statistical classification being determined on the basis of the combined data of the affiliated group. Therefore, filing changes to or from a consolidated return basis affect year-to-year comparability of certain statistics (such as data classified by industry and size of total assets).



### Constructive Taxable Income from Related Foreign Corporations

This represented the sum of (1) "Includable Income from Controlled Foreign Corporations" and (2) "Foreign Dividend Income Resulting from Foreign Taxes Deemed Paid."

Includable income from Controlled Foreign Corporations represented amounts, not actually received, which a domestic corporation owning at least 10 percent of a Controlled Foreign Corporation was required by Code section 951 to include in its gross income. For most purposes, the foreign corporation was considered controlled if more than 50 percent of its voting stock was controlled by U.S. persons, including domestic corporations, each of whom owned at least 10 percent of its voting stock.

The includable income consisted of:

- (1) subpart F income, defined below;
- (2) any previously excluded subpart F income which had been invested in qualified assets in "less developed countries," but which was now either withdrawn from these countries or remitted to the U.S. stockholders and was thereupon taxable; and
- (3) any increase in Controlled Foreign Corporation earnings due to investment in U.S. property.

Subpart F income, defined in Code section 952, included:

- (1) income attributable to premiums received by foreign insurance companies that were Controlled Foreign Corporations (here defined in terms of 25 percent voting stock ownership), 75 percent or more of whose insurance business was on U.S. risks; and

- (2) "foreign base company income," which included:

- (a) "foreign personal holding company income" (income derived from portfolio investments or from "passive" investments);

- (b) "foreign base company sales income" (generally from the sale of property produced in the United States or a foreign country by one corporation and sold by a related corporation, generally a trading company, organized in another country having a low rate of taxation, for use outside that country); and

- (c) "foreign base company services income" (in general, income from services performed or furnished for a related person, which included corporations, outside the country of incorporation of the Controlled Foreign Corporation, but with certain exceptions).

Foreign base company income excluded income from qualified investments in less developed countries or from sales of U.S. exports as well as income derived from use of aircraft or vessels in foreign commerce and related services.

Foreign dividend income resulting from foreign taxes deemed paid related to certain foreign taxes on profits of companies which were 10 percent or more owned by domestic corporations. If dividends were distributed to a domestic corporation (from these foreign profits), the domestic corporation was required to increase (or "gross-up") such dividends by a proportionate amount of the foreign taxes deemed paid on the foreign profits for which the domestic corporation claimed a foreign tax credit. See also "Foreign Tax Credit."

The Tax Reform Act of 1976 provided that dividends from less developed country corporations (as formerly defined in Code section 955) be treated the same as dividends from other foreign corporations. Thus, the amount of the dividend was grossed-up by the amount of foreign taxes deemed paid on that dividend. The gross-up treatment for distributions of current income was generally effective for taxable years beginning after December 31, 1975. However, distributions made in taxable years beginning after December 31, 1975, and received by domestic corporations before January 1, 1978, were to be grossed-up

only to the extent that the distributions were made from earnings and profits of the foreign corporation accumulated in taxable years beginning after December 31, 1975. Prior to the 1976 Act, only those dividends received from "developed country" corporations were required to be grossed-up.

Analysis of returns of some of the larger corporations revealed instances where amounts reported as foreign dividend income resulting from foreign taxes deemed paid were actually dividends received from foreign corporations, and instances where amounts reported as dividends received from foreign corporations were actually the gross-up of foreign taxes deemed paid. (Both of these items were reportable on the dividends received schedule of the income tax return.) If these amounts were so identified on supporting schedules they were transferred to the correct item for the statistics.

In tables 1.17 and 2.13 foreign dividend income resulting from foreign taxes deemed paid and includable income from controlled foreign corporations are shown separately. In all other tables these two items are combined and shown under the statistics for constructive taxable income from related foreign corporations.

### Contributions or Gifts (#)

Contributions or gifts to charitable, religious, educational, and similar organizations were deductible under Code sections 170, 809, and 882. In general, the deduction was limited to 5 percent of net income computed without regard to this deduction; certain additional adjustments were required in the case of life insurance companies. Amounts contributed in excess of this limitation during the 5 preceding years could be carried forward and included in the current-year's deduction as long as the sum of the current-year contributions and the amounts carried forward did not exceed the limitation based on current-year income. The excess was again carried forward until the 5-year carryover period expired. The amounts shown, therefore, include some contributions actually made in previous years, and exclude some contributions made in the current year which exceeded the current-year 5-percent limitation.

### Cost of Property Used for Investment Credit

Amounts included under this heading are estimates for the total cost or basis of depreciable property (defined in Code section 48 and described under "Investment Credit" in this section) reported in connection with the computation of the investment credit. Only property with a useful life of 3 years or more was eligible for investment credit treatment.

Although corporations generally reported their investments at cost, most corporations claiming the investment credit for leased property used the fair market value instead.

The statistics include amounts reported but not used for the computation of the investment credit. A limitation, for instance, was placed on the amount of used property which could be taken into account in the computation of the credit. (See "Investment Credit.") Also included were amounts which were ultimately used in the computation of the credit by end-of-the-year stockholders of Small Business Corporations electing to be taxed through those stockholders.

### Cost of Sales and Operations

Cost of sales and operations generally consisted of the direct costs incurred by the corporation in producing goods or providing services. Included were costs of materials used in manufacturing; costs of

goods purchased for resale; direct labor; and certain overhead expenses, such as rent, utilities, supplies, maintenance, and repairs.

Corporations with manufacturing or production operations were required to compute taxable income in accordance with the "full absorption" method of inventory costing as prescribed by the income tax regulations. In general, under full absorption costing, certain indirect production costs as well as direct production costs were allocated to goods produced during the taxable year, whether included as costs of the taxable year or as inventory at the close of the year determined in accordance with the corporation's method of identifying goods in inventory. In determining inventory costs, indirect production costs were: (1) always included, such as for repairs, indirect labor, and indirect materials and supplies; (2) not required to be included, such as for marketing expenses, selling or other distribution expenses, and interest; or (3) included or excluded from the cost of sales and operations dependent upon how such costs were treated in the corporation's books of account. These costs included insurance costs, taxes paid, and depletion expenses. Thus, the statistics also include certain indirect production costs reported by corporations as a cost of sales.

Corporations not using the full absorption method before September 19, 1973, had to change to that method. Corporations which made the election during the first 180 days of any taxable year beginning after September 18, 1973, and before November 29, 1975, could prorate any inventoriable costing adjustments over a period designated by the corporation at the time of the election, starting with the year of the transition. The transition period could not exceed the lesser of 10 taxable years or the number of years for which the prior inventory costing method was used. Corporations which switched after the transition period were not eligible to use the transitional rules. These inventory costing adjustments were included in the statistics for the income or deduction items in which they were reported by the corporation.

Included in cost of sales were costs incurred by Domestic International Sales Corporations (DISC's) for warehousing (which could include rental warehouse facilities, labor, heat and power) of export-related articles.

Sales taxes and excise and related taxes may have been reported in cost of goods sold schedules when corporations treated these taxes as part of the sales price of products. When taxes were identified in cost of goods sold schedules, they were added to the statistics shown for the separate deduction for "Taxes Paid." Similarly, expenses for depreciation, depletion, amortization, rent of buildings or real estate, advertising, contributions to pension plans, and contributions to employee benefit programs, whether direct or indirect costs in the case of corporations with manufacturing or production operations, were transferred to their respective deduction categories when identified in cost of goods sold schedules.

The income or loss from sales of securities, commodities, or real estate by stock and commodity brokers, dealers, and exchanges, and by real estate subdividers, developers, and operative builders was transferred from business receipts, and the net profit or loss from these transactions included in net gain or loss from sales or exchanges of noncapital assets. Special statistical treatment was also required for the few banking institutions which traded certain securities "on their own account" and which reported the purchase and sale of the securities as part of cost of sales and operations and business receipts, respectively. For the statistics, the amount paid for these securities was excluded from cost of sales

and operations and a corresponding amount was excluded from business receipts. Therefore, the cost of such sales was excluded from the statistics. (See also "Business Receipts.")

#### Cost of Treasury Stock

This item was the total value of issued common or preferred stock which had been reacquired and was held at the end of the accounting year by the issuing corporations. The stock, which was available again for resale or cancellation, may have been purchased by the corporation or acquired through donation or as settlement of a debt. Treasury stock was not a part of capital stock outstanding and did not include unissued capital stock.

The amounts shown may be somewhat understated. Treasury stock intended for resale may have been reported as an asset on some tax returns and, if not clearly identified as for resale, would have been included in the statistics for "Other Investments." When identified, though, such stock was transferred to the statistics for "Cost of Treasury Stock."

#### Credit for Tax on Special Fuels, Nonhighway Gasoline and Lubricating Oil

Section 39 of the Code allowed a credit in full or in stated amounts for excise taxes on:

- (1) gasoline used on farms for farming purposes,
- (2) gasoline used for nonhighway purposes or by local transit systems,
- (3) lubricating oil used for nonhighway purposes, and
- (4) noncommercial aviation fuels used for nontaxable purposes or fuels which were resold during the taxable year.

These taxes could be applied as a credit against income tax liability as an alternative to having the taxes refunded directly. These items also included amounts refunded through Domestic International Sales Corporations (DISC's) although these corporations were nontaxable.

#### Credit for Tax Paid by Regulated Investment Companies

Regulated investment companies were required to pay a tax (at capital gains rates) on amounts of undistributed net long-term capital gain less net short-term capital loss. Stockholder corporations, for their part, were required to include in the computation of their long-term capital gains any such gains designated by the parent as undistributed dividends. The stockholder corporations were then deemed to have paid the tax on the undistributed long-term capital gain dividends and were allowed a credit (or a refund) for the tax they were deemed to have paid. It is this credit which comprises this item.

#### Depletable Assets

Depletable assets represented, in general, the gross end-of-year value of mineral property, oil and gas wells, other natural deposits, standing timber, intangible development and drilling costs capitalized, and leases and leaseholds, each subject to depletion. Accumulated depletion represented the cumulative adjustment to these assets shown on the corporation's books of account. In some instances, depletable assets may have been included with "Depreciable Assets," or may have been reported as land or as "other investments" by the taxpayer, and could not be identified for this report.



The value of depletable assets and accumulated depletion may not be closely related to the current-year depletion deduction. The depletable assets and accumulated depletion balance sheet accounts reflected book values; the depletion reflected the amount claimed for tax purposes.

#### Depletion (#)

This deduction was allowed for the exhaustion of natural deposits and timber. For standing timber, depletion was computed on the basis of cost. In the case of natural deposits, the depletion could be computed either on the basis of cost or upon a fixed percentage of the gross income, less rents and royalties, from the depletable property. Generally, for gas and oil wells the gross income was the actual sales price, or representative market or field price if the gas or oil was later converted or manufactured prior to sale. For other natural deposits, gross income was the gross income from mining, defined to include extractive and certain treatment processes. Also included as gross income were exploration expenditures, previously deducted, that were required under provisions of Code section 617 to be recaptured when the mine reached the production stage.

Under elective provisions of the Code, exploration and development expenditures connected with certain domestic natural deposits (except gas and oil) could be deducted currently, treated as deferred expenses, or capitalized. The write-offs of amounts deferred or capitalized were not included as part of depletion.

Percentage depletion, though based on percentages of gross income from depletable property, was limited. Generally, it could not exceed 50 percent of the net income from the property computed without the depletion deduction. Percentage rates of gross income for each type of natural deposit were listed in Code section 613 and ranged from 5 to 22 percent.

The 22 percent depletion rate for oil and gas wells applied only to domestic crude oil and domestic natural gas. Specifically covered were: (1) regulated natural gas, (2) natural gas sold under a fixed contract, (3) any geothermal steam deposit in the United States or a U.S. possession which was determined to be a gas well according to Code section 613, and (4) small (independent) producers and royalty owners. The depletion rate applicable under the first three exceptions was 22 percent of gross income from the property, less rents and royalties paid, limited to 50 percent of the net income from the property before the depletion deduction. The limitation in the case of small (independent) producers and royalty owners was 65 percent of net income from all sources. If the 65 percent limitation caused an amount to be disallowed for a taxable year, the disallowed portion could be carried over to the next year for inclusion in the depletion deduction, provided it was within the limitation for that year.

Crude oil refiners and retailers that processed daily more than 50,000 barrels of crude oil and certain retailers of oil, natural gas or any of their derivative products were specifically denied the use of the percentage depletion allowance. Retailers were defined for this purpose as those that sold such products through retail outlets they operated, or to any person who was obligated to sell under the taxpayer's trademark or permitted to operate one of the retailer's outlets. The Tax Reform Act of 1976 made several changes in the definition of retailers by excluding the following types of retail sales for which percentage depletion was otherwise denied: (1) direct bulk sales of oil or natural gas to industrial or commercial users, (2) sales of oil, natural gas or any of their derivative products when gross receipts for a taxable year were less than \$5 million, and (3) sales by retail outlets of oil, natural gas or any of

their derivative products, made outside the United States, if none of corporation's domestic production was exported during the taxable year or the immediately preceding taxable year.

For 1978, the depletion rate for oil and gas covered under the small (independent) producer and royalty owners exemption provisions was 22 percent of the maximum daily average of 1,400 barrels. In 1979, the maximum daily average was reduced to 1,200 barrels. For 1980 and later years the maximum daily average was lowered to 1,000 barrels. The depletion rate was to be reduced for 1981 and subsequent years.

The amounts shown in the statistics include any identifiable depletion reported as part of the cost of sales and operations.

See also "Additional Tax for Tax Preferences."

#### Depreciable Assets

Depreciable assets, reported on the corporation's end-of-year balance sheet, consisted of tangible property (such as buildings and equipment) which was used in the trade or business or held for the production of income and which had a useful life of 1 year or more. The statistics for this item could include fully depreciated assets still in use and partially completed assets for which no deduction was allowed, when the corporation reported them as depreciable in its balance sheet. The statistics for depreciable assets exclude those intangible assets which were depreciable or amortizable only for tax purposes. Such assets, patents and copyrights for example, were includable in "Intangible Assets." The amounts shown as accumulated depreciation represent the portion of the assets that were written off in the current year, as well as in prior years.

The amounts shown for depreciable assets are, in general, the gross amounts before adjustments for depreciation or amortization charged in current and prior years. Some corporations, however, reported only the net amount of depreciable assets after adjusting for these depreciation or amortization charges. Among the corporations reporting only a net amount of depreciable assets were many insurance carriers reporting balance sheet information in the format required by State insurance regulations. This format usually provided for the reporting of only net depreciable assets and only the home and branch office buildings and equipment were included. Other real estate holdings of these corporations were reported as "other investments."

The value of depreciable assets and accumulated depreciation may not be closely related to the current-year depreciation deduction. The depreciable assets and accumulated depreciation balance sheet accounts reflected book values; the depreciation deduction reflected the amount claimed for tax purposes.

#### Depreciation (#)

Depreciation deducted as a reasonable allowance for the exhaustion, wear and tear, and obsolescence of business property was allowable under Code section 167. A deduction for depreciation was not allowable on inventories, or land apart from the physical improvements or developments added to it.

Several methods of computation could have been used in determining the deduction for the year. A common method was straight-line, whereby an equal amount of depreciation is deducted (after salvage value is taken) in each year of the useful life of the asset. The declining balance and the sum-of-the-years-digits methods, whereby a larger portion of the asset's cost is written off during the earlier years of its life than during its later years, were also commonly used. Accelerated methods of depreciation were restricted for public utilities and certain kinds of real property.



A corporation operating a railroad and using the retirement-replacement method was allowed a current depreciation deduction for the replacement of an existing railroad crosstie regardless of the quality or kind of material used.

Property lives could be based either on the corporation's own experience, asset-by-asset, or on the Class Life Asset Depreciation Range (CLADR) system which provided for generally shorter than average lives. For a detailed description of the CLADR system, see Statistics of Income—1976, Corporation Income Tax Returns.

Amounts shown as depreciation include any identifiable depreciation reported in schedules in support of the cost of sales and operations. Also included as depreciation were amounts deducted on leasehold improvements, patents, and copyrights, small amounts of additional first-year depreciation allowed under Code section 179, and amounts deducted for prepublication expenditures by corporations in the printing and publishing industries.

To comply with the definition of depreciation under the Internal Revenue Code, so-called amortization on station connections in the communications industry and of capitalized film production costs in the motion picture industry reported elsewhere in the return were also included in the statistics.

See also "Additional Tax for Tax Preferences."

#### Distributions to Stockholders

Distributions to stockholders consisted of the corporation's own stock, and of cash and other property, generally reported as part of the analysis of unappropriated retained earnings. Liquidating dividends, when identified, were excluded.

In those instances where a corporation reported only a single total for distributions to stockholders and did not identify these distributions as cash or stock or other property, that total was treated as a distribution to stockholders in cash and property other than in the company's own stock.

Regulated investment companies and real estate investment trusts could treat certain dividends paid after the close of their taxable year as distributions during the current taxable year. In a similar manner, for Small Business Corporations electing to be taxed through stockholders, distributions of money made within 2-1/2 months after the close of the taxable year were considered to be distributions of the corporation's undistributed taxable income of the preceding taxable year. Otherwise, the statistics do not include amounts taxed to stockholders in the current year, but which would not actually be distributed to them until a future year. Conversely, the statistics do include amounts taxed through stockholders in previous years, but which were not actually distributed until the current year.

For Domestic International Sales Corporations (DISC's), only amounts actually distributed (i.e., distributions that were made to meet the DISC qualification requirement under Code section 992, including "deficiency distributions" made after the close of the taxable year to avoid disqualification as a DISC, or other actual distributions) were included in the statistics. Dividends which were not actually distributed, but rather deemed distributed under section 995, were excluded.

#### Dividends Received from Domestic Corporations

Dividends received from domestic corporations represented most distributions from current as well as accumulated earnings and profits of companies incorporated in the United States. (For a discussion of other distributions of domestic corporations, see "Other Receipts" in this section.) For the most part,

dividends received from domestic corporations represented those recognized in computing the special deduction from net income for domestic intercorporate dividends received. (See also "Statutory Special Deductions.")

Certain domestic dividends, although not deductible, were nevertheless included in dividends received from domestic corporations. These were dividends received by regulated investment companies, real estate investment trusts, and Small Business Corporations electing to be taxed through stockholders. Dividends from Domestic International Sales Corporations (DISC's) were also included as domestic dividends received, but were not deductible. Certain other dividends, not deductible, were treated for the statistics as "Other Receipts."

For most of the domestic dividends received, the deductible portion was equal to 85 percent (about 60 percent for dividends received on certain preferred stock of public utilities). However, a 100-percent deduction was allowed for dividends received by members of a controlled group from other members of the same controlled group when a consolidated return was not used to report for the group as a whole. This deduction was allowed when the group did not elect to file a consolidated return and agreed instead to apportion a single surtax exemption among the group members in computing income tax.

Dividend distributions among member corporations electing to file a consolidated return were eliminated from the statistics as part of the consolidated reporting of tax accounts. For tax purposes, dividends reported on these returns represented amounts received from corporations that were outside the tax-defined affiliated group.

For a discussion of the dividends received from a DISC see "Domestic International Sales Corporation Returns."

#### Dividends Received from Foreign Corporations

These dividends were paid from current as well as accumulated earnings and profits of companies incorporated in foreign countries.

Dividends received from foreign corporations consisted of:

(1) dividends, subject to the 85-percent deduction, received by U.S. corporations from those foreign corporations at least 50 percent or more of whose gross income was "effectively connected" with business conducted in the United States;

(2) dividends, subject to the 100-percent deduction, received by U.S. corporations from wholly-owned foreign subsidiaries all of whose gross income was "effectively connected" with the conduct of a U.S. trade or business; and

(3) any other foreign dividends, not subject to a deduction, which included: certain gains from the sale, exchange, or redemption of Controlled Foreign Corporation stock and foreign dividends received by Small Business Corporations electing to be taxed through stockholders.

Excluded from the dividend statistics was the "gross-up" of foreign taxes deemed paid on the profits from which the dividends of foreign subsidiaries were distributed. This was done even though "foreign dividend income resulting from foreign taxes deemed paid" (gross-up) was considered by law to be part of the dividends received. Dividends only constructively received from foreign subsidiaries, reported on the tax returns as "includable income from Controlled Foreign Corporations," were also excluded. If these amounts were actually distributed at a later date, they were neither retaxed nor reported. For the statistics, both items were combined and shown under "Constructive Taxable Income from Related Foreign Corporations."



The foreign dividend statistics presented in this report are subject to certain limitations. Some corporations reported certain foreign dividends as "includable income from Controlled Foreign Corporations," while others did the reverse, since both were reported in the schedule for dividends received. Also, some corporations included as foreign dividends the gross-up of dividends by foreign taxes paid or deemed paid ("foreign dividend income resulting from foreign taxes deemed paid"), while others did the reverse. Where these variations in taxpayer reporting were identified, the amounts were transferred to the correct item for the statistics.

#### Domestic International Sales Corporation Returns (#)

Form 1120-DISC, Domestic International Sales Corporation Return, was filed by corporations which were established under the Revenue Act of 1971 in order to provide a system of tax deferral on profits derived from exports of U.S. goods and services.

The profits of DISC's were not taxed to the DISC's, but were instead taxed to the stockholders (mainly parent corporations) when distributed or deemed to be distributed to them. A stockholder of a DISC was treated as having received a distribution taxable as a dividend equal to the stockholder's pro rata share of the sum of: (1) the gross interest derived during the taxable year from producer's loans; (2) the gain recognized by the DISC during the taxable year on the sale or exchange of property, other than property which in the hands of the DISC is a qualified export asset, previously transferred to it in a transaction in which gain was not recognized in whole or in part, but only to the extent that the transferor's gain on the previous transfer was not recognized; (3) the gain (other than the gain described in (2)) recognized by the DISC during the taxable year on the sale or exchange of property (other than property which in the hands of the DISC is stock in trade or other property described in Code section 1221(1)) previously transferred to it in a transaction in which gain was not recognized in whole or in part, but only to the extent that the transferor's gain on the previous transfer was not recognized and would have been treated as ordinary income if the property had been sold or exchanged rather than transferred to the DISC; (4) 50 percent of the taxable income of the DISC for the year attributable to "military property" (i.e., property which is an arm, ammunition, or implement of war designated pursuant to the Military Security Act of 1954); (5) the taxable income for the taxable year attributable to "base period export gross receipts" (base period was 1972 through 1975); (6) the sum of: (a) one-half of the excess of the taxable income of the DISC for the taxable year, before reduction for any distributions during the year, over the sum of the amounts deemed distributed for the year under Code section 995; (b) an amount equal to (a) multiplied by the "international boycott factor;" and (c) any illegal bribe, kickback, or other payment paid by or for the DISC to a representative of a foreign government; and (7) the amount of foreign investment attributable to producer's loans of a DISC for the taxable year. For this purpose, taxable income was the DISC's net income minus statutory special deductions. See "Tax Deferred Income and Income Taxable to Stockholders."

The amount deemed distributed was fully taxable to the stockholders. Income taxation was deferred on the remainder of the DISC's taxable income which was not deemed distributed until one of the following events occurred: (1) the income was actually distributed to the DISC's stockholders; (2) a stockholder disposed of the DISC stock; (3) the DISC was liquidated; or (4) the election to be treated as a DISC was terminated or revoked.

Corporate stockholders receiving DISC dividends were not permitted the intercorporate dividends received deduction. The dividends received deduction was designed to prevent multiple taxation of corporate earnings; consequently, as a DISC itself was not subject to taxation the dividends received deduction was not applicable.

Dividends (deemed or actual) paid by a DISC were treated as dividends from a foreign corporation to the extent the dividends were attributable to certain export receipts of the DISC. Thus, all stockholders could claim a foreign tax credit for any foreign taxes imposed on a DISC dividend. Stockholders that were corporations could also claim an indirect credit for foreign taxes paid by a DISC.

To qualify as a DISC, a corporation must have been organized under the laws of any State or the District of Columbia, have only one class of stock, issued outstanding capital stock with a par or stated value of at least \$2,500, and satisfied the "gross receipts" and "gross assets" tests.

The gross receipts test required that at least 95 percent of the corporation's gross receipts consist of "qualified export receipts." Qualified export receipts were: gross receipts from the sale, exchange, or other disposition of "export property" (described below); gross receipts from the lease or rental of export property, which were used by the lessee of such property outside the United States; gross receipts from the sale, exchange, or other disposition of "qualified export assets" (other than export property); gross receipts from services which were related and subsidiary to any qualified sale, exchange, lease, rental, or other disposition of export property; dividends with respect to stock of a related foreign export corporation; interest on any obligation which was a qualified export asset; gross receipts from engineering or architectural services for construction projects located (or proposed for location) outside the United States; and gross receipts from the performance of managerial services in furtherance of the production of other qualified export receipts of a DISC.

The gross assets test required that at least 95 percent of the corporation's assets be "qualified export assets." In general, qualified export assets were inventories of "export property" (i.e., property which: (1) had been manufactured, produced, grown or extracted in the United States by other than a DISC; (2) was held primarily for sale or lease in the ordinary course of business for direct use, consumption, or disposition outside the United States; and (3) had at the time of sale or lease by the DISC not more than one-half of its fair market value attributable to imported articles); necessary operational equipment and supplies; trade receivables from export sales (including commissions receivable); producer's loans (i.e., loans of the DISC's profits to a U.S. export producer whether or not related to the DISC); working capital (i.e., cash and necessary temporary investments); investments in related foreign export corporations (including real property holding companies and associated foreign corporations); obligations issued, guaranteed, or insured by the Export-Import Bank or the Foreign Credit Insurance Association; and, obligations of the Private Export Funding Corporation.

A DISC which, for a taxable year, failed to satisfy the gross receipts test or the gross assets test, thereby failing to qualify as a DISC, could nevertheless satisfy these qualification requirements by making a "deficiency distribution" for such a year, whereby the DISC made a distribution to its stockholders after the close of the taxable year. The DISC, at this time, had to demonstrate that the failure to make these distributions prior to the close of the year was due to reasonable cause.



To qualify as a DISC, a new or previously existing corporation had to file an election requesting to be treated as a DISC. For the election to be valid, all stockholders of the corporation on the first day of the election year must have consented in writing. The election remained valid unless the corporation revoked it or failed to qualify as a DISC for 5 consecutive years.

A DISC usually acquired export property from its parent or an affiliated corporation ("related suppliers") and then sold the property abroad; however, it could act simply as a commission agent on export sales of related suppliers. The method used for allocating income between a DISC and its related suppliers was achieved through special intercompany pricing rules. This allocation of income was affected to the extent that the DISC itself incurred "export promotion expenses" (i.e., the ordinary and necessary expenses incurred to obtain qualified export receipts).

The types of corporate organizations not eligible to be treated as a DISC were: (1) tax-exempt corporations; (2) Personal Holding Companies; (3) banks and trust companies; (4) mutual and savings banks, domestic building and loan associations, and cooperative banks; (5) insurance companies; (6) regulated investment companies; and (7) Small Business Corporations electing to be taxed through their stockholders.

For any taxable year in which a corporation was a DISC or in which at any time it owned, directly or indirectly, stock in a DISC or a former DISC, the corporation was not allowed to take the Western Hemisphere Trade Corporation deduction.

For additional information regarding DISC's see Annual Reports, The Operation and Effect of the Domestic International Sales Corporation Legislation issued by the Department of the Treasury as required by the Revenue Act of 1971.

#### Employee Benefit Programs

Contributions made by employers to such plans as death benefit plans, health plans, accident and sickness plans, and other welfare plans were deductible under Code section 162. The statistics for this item include amounts identified in the cost of sales and operations schedules.

#### Estimated Tax Payments (#)

Estimated tax payments were quarterly installments required if a corporation's income tax (including tax from recomputing prior-year investment and work incentive (WIN) credits and additional tax for tax preferences) after foreign tax, investment, work incentive (WIN), possessions tax and jobs credits was reasonably expected to exceed the sum of the exemption from estimated tax under Code section 6154 and any payment credits such as for the Federal excise tax paid on special fuels, nonhighway gasoline, and lubricating oil. Estimated tax was the excess of the expected tax over the exemption. The statutory exemption from estimated tax was \$40.

Estimated tax payments shown in this report may be somewhat less than the legal maximum percentages of tax due because, under the provisions of Code section 6655, certain tolerances were allowed in the relationship of the installments payments to the tax (for example, a corporation was not required to pay an estimated tax greater than the amount of tax liability for the previous year provided that the corporation had a tax liability for the previous year). Besides the limitations based on law, payments shown in the statistics may be slightly understated because of taxpayer reporting variations and the inability to identify all of the amounts from the tax returns.

Separate statistics are presented for estimated tax payments, credit for overpayment of prior-year tax, quick refunds of estimated tax payments, and net payments after refunds.

#### Foreign Tax Credit (#)

Code section 901 allowed a credit against the U.S. income tax for income, war profits and excess profits taxes paid or accrued to foreign countries or U.S. possessions including Puerto Rico. Credit was also allowed against the U.S. tax under sections 902 and 960 for foreign taxes "deemed paid." Foreign taxes included amounts paid by partnerships that were allocated directly to the partners (including those that were corporations) for their use as a credit (or a deduction, as described below).

The credit could be claimed by domestic corporations, and also by foreign corporations engaged in trade or business in the United States for foreign taxes on income "effectively connected" with the U.S. business.

However, the credit was not allowed for Small Business Corporations electing to be taxed through stockholders even when these corporations were taxed on certain capital gain income. These corporations had to deduct from gross income any foreign taxes they paid and could not pass them on to their stockholders for their use as a foreign tax credit. The credit was not allowed either, for regulated investment companies which elected under Code section 853 to allow their stockholders to claim the credit for the foreign taxes paid by these companies. Since Domestic International Sales Corporations (DISC's) themselves were not taxable, foreign tax credit was not applicable; however, DISC stockholders could claim an indirect credit for foreign taxes paid by a DISC.

A corporation that claimed the foreign tax credit could not also claim a business deduction for foreign taxes paid. The U.S. income tax which could be reduced by the credit excluded the tax from recomputing prior-year investment credit, the tax from recomputing prior-year work incentive (WIN) credit, the additional tax for tax preferences (minimum tax), and the Personal Holding Company tax.

Under Code section 902, credit was allowed for foreign taxes deemed paid when a domestic corporation received a dividend from a foreign corporation in which it owned a 10-percent-or-more voting stock interest, for the taxes paid on the foreign corporation's profits out of which the dividends were paid. A portion of the taxes paid or accrued by the "first-tier" foreign corporation was deemed to have been paid by the domestic corporation. The taxes eligible for credit were determined based on the relationship between the foreign corporation's profits and the amount paid to the domestic corporation as dividends.

In addition, if the first-tier foreign corporation owned 10 percent or more of the voting stock of a "second-tier" foreign corporation from which it received a dividend, the first-tier foreign corporation was deemed to have paid a proportionate amount of the foreign taxes of the second-tier foreign corporation. In turn, the domestic corporation was deemed to have paid a portion of these same taxes. However, a foreign tax credit was not allowed unless the percentage of voting stock owned by the domestic corporation in the first-tier foreign corporation and the percentage of voting stock owned by the first-tier foreign corporation in the second-tier foreign corporation equalled at least 5 percent when multiplied together.

The second-tier foreign corporation was deemed to have paid a proportionate amount of the foreign taxes paid or accrued by a "third-tier" foreign corporation whenever it owned 10 percent or more of the voting



stock of a third-tier foreign corporation from which it received a dividend, and the product of the following equalled at least 5 percent: the percentage of voting stock owned by the domestic corporation in the first-tier foreign corporation, the percentage of voting stock owned by the first-tier foreign corporation in the second-tier foreign corporation, and the percentage of voting stock owned by the second-tier foreign corporation in the third-tier foreign corporation. In turn, the first-tier foreign corporation and the domestic corporation were deemed to have paid a portion of these same taxes.

Credit computed the same way as that described above under Code section 902 was also allowed for taxes deemed paid on distributions constructively received from Controlled Foreign Corporations under section 951. The credit was allowed for these distributions if the domestic corporation owned 10 percent or more of the voting stock of the first-tier Controlled Foreign Corporation.

Domestic corporations were allowed to claim a credit on foreign taxes deemed paid by a third-tier foreign corporation whose undistributed subpart F income was taxed to its stockholders.

In the case of taxes paid on "foreign mineral income," the foreign tax credit was reduced to the extent that (1) the foreign tax exceeded the U.S. income tax payable on such income and (2) the excess was due to the lower profits recognized for U.S. tax purposes because of the deduction for percentage depletion. (See "Depletion.")

A special reduction of the foreign taxes available for credit was prescribed for foreign taxes paid on "foreign oil and gas extraction income" (i.e., taxable income derived from sources without the United States and its possessions from the extraction of minerals from oil or gas wells, or the sale or exchange of assets used by the taxpayer in the trade or business of such extraction) and otherwise eligible for the credit. The foreign oil and gas extraction taxes which could be used to compute the credit could not exceed 100 percent of the regular tax rate which applied to that corporation. Foreign taxes in excess of these rates were lost to the taxpayer for foreign tax credit purposes. They also could not be claimed as a business deduction.

These special reductions were in addition to the general limitation on the credit. The Tax Reform Act of 1976 repealed the per-country limitation on the foreign tax credit and required corporations to compute the limitation using the overall method. This mandatory use of the overall method was generally effective for taxable years beginning after December 31, 1975, but a later effective date applied to income from U.S. possessions and certain mining companies. The separate limitation for certain interest income that was previously computed using the per-country method was required to be computed using the overall method.

Generally, five types of income from foreign sources were specified for purposes of computing the foreign tax credit. For taxes paid in connection with certain interest income, the credit was computed separately. Also, for dividends received from DISC's that were attributed to certain export receipts (and were thereby regarded as foreign dividends), the foreign tax credit limitation was computed separately with respect to aggregate dividends received from all DISC's, and then to other foreign source income. Additionally, corporations had to compute their foreign tax credit separately for foreign oil-related income, which included foreign oil and gas extraction income. Further, foreign oil-related losses were to be "recaptured" by treating future foreign oil-related income (to the extent of such losses) as U.S. source income, and by correspondingly reducing foreign taxes available for credit. Also, corporations had to

compute their foreign tax credit separately for possessions income. Finally, all other sources of income were treated, in the aggregate, separately.

Foreign taxes in excess of the limitation for any one year could be carried back, chronologically, to the 2 preceding years and then carried over to the 5 succeeding years to reduce income tax, subject to the foreign tax credit limitation of the years to which they were carried. (Excess taxes carried back or carried over were applied against the amount by which a limitation exceeded the creditable foreign taxes in a given year.)

#### Income Subject to Tax

The 1954 Code provided different tax bases upon which tax was levied for different types of corporations. These were the "taxable income" base defined by Code section 63, used by the majority of corporations, and to which the normal tax and surtax rates applied; a variation of this base in combination with long-term capital gain when the lower capital gains rate was applicable; the special capital gains tax base of Small Business Corporations electing to be taxed through their stockholders; the several tax bases applicable to insurance companies; and the amounts taxable to regulated investment companies and real estate investment trusts. All of these tax bases are under the heading, Income Subject to Tax. However, small amounts of regulated investment company undistributed long-term capital gains (described below) were excluded. Since Domestic International Sales Corporations (DISC's) themselves were not taxable, income subject to tax for these corporations was not applicable (see "Domestic International Sales Corporation Returns").

For most corporations, income subject to tax consisted of net income minus certain "statutory special deductions" (described in this report under a separate heading). However, there were certain exceptions. In some cases, the statutory special deductions for dividends received and for dividends paid on certain preferred stock of public utilities exceeded net income. For these returns, income subject to tax was reduced to zero and the excess of the two special deductions became the statutory loss for the year, available for net operating loss deduction purposes over the prescribed carryback and carryover periods.

Also, the tax bases applicable to Small Business Corporations electing to be taxed through their stockholders, life insurance companies, regulated investment companies, and real estate investment trusts were not defined as net income less statutory special deductions.

Depending on which resulted in the lowest tax, the tax base for Small Business Corporations electing to be taxed through their stockholders was: (1) net income; (2) net long-term capital gain in excess of \$25,000, when net long-term capital gain was more than 50 percent of a net income that was over \$25,000; or (3) the amount attributed to gain from the disposition of property using a "substituted basis" (i.e., the basis that was transferred from another corporation which was not a Small Business Corporation electing to be taxed through its stockholders). No net operating loss or "special deductions" were available.

For the life insurance company statistics, net income was derived from gain or loss from operations to which statutory special deductions were added back; income subject to tax was the smaller of gain from operations (which included statutory special deductions) or taxable investment income. To this amount the following were added: (1) when taxable investment income was smaller than gain from operations, 50 percent of the difference between these two amounts, and (2) amounts subtracted from the policyholders'



surplus account (which contained income nontaxable in the year earned, but taxable later on when withdrawn from this reserve account, even if the company had no current-year net income).

In addition, the life insurance company provisions applied to life insurance departments of mutual savings banks, where the departments were separately taxed from the remainder of the banks. However, data for the banking and life insurance departments were combined in the statistics.

In the case of regulated investment companies and real estate investment trusts, any net long-term capital gain (reduced by net short-term capital loss) which was not distributed to stockholders was taxed to the companies at the capital gains rate, even though the alternative tax method was not allowed. The balance of undistributed income was taxed at the normal tax and surtax rates. Undistributed net long-term capital gain taxed at the capital gains rate was not available from the income tax computation schedule of the return form and no attempt was made to obtain it from attached schedules for the statistics.

See also "Income Tax."

#### Income Tax (§)

Income tax was the gross amount of income tax liability before deducting the foreign tax, U.S. possessions tax, investment, work incentive (WIN) and new jobs credits. (This item did not apply to DISC's, which are taxable through their stockholders; see "Domestic International Sales Corporation Returns" in this section.)

The Revenue Act of 1978 changed the corporate tax rate structure. See the discussion under Changes in Law in section 2.

For corporations with net long-term capital gain, an alternative method of tax computation was required if using the alternative method resulted in a lower tax liability than the regular method. For these corporations the excess of net long-term capital gain over net short-term capital loss was taxed at the capital gains rate while the balance of income was taxed at the regular tax rate. This method of computing income tax was not available to regulated investment companies and real estate investment trusts. The alternative capital gains rate was 28 percent. (See "Net Capital Gains" in this section.)

In addition to the normal and alternative taxes, the statistics for income tax also include:

- (1) an additional tax for tax preferences ("minimum tax") (described under a separate heading);
- (2) the tax from recomputing a prior-year investment credit (described under a separate heading);
- (3) the tax from recomputing a prior-year work incentive (WIN) credit (described under a separate heading);
- (4) the 28-percent tax on certain long-term capital gains of Small Business Corporations electing to be taxed through their stockholders; and
- (5) the 28-percent tax on undistributed net long-term capital gain (reduced by net short-term capital loss), and the normal tax and surtax on the balance of undistributed income of regulated investment companies and real estate investment trusts.

Income tax shown in this report for returns without net income was attributable to the small number of returns showing:

- (1) income tax under special provisions of the Internal Revenue Code applicable to life insurance businesses;
- (2) tax from recomputing a prior-year investment credit;
- (3) tax from recomputing a prior-year work incentive (WIN) credit; and
- (4) additional tax for tax preferences ("minimum tax").

Statistics for income tax do not reflect the Personal Holding Company tax, nor do they reflect any adjustments to the tax liability such as those resulting from:

- (1) recomputation of the current year taxable income to reflect the carryback of net operating losses and certain capital losses for future years;
- (2) reduction of income tax by foreign tax, investment, U.S. possessions tax, work incentive (WIN) and jobs credits recomputed to take account of the carryback of unused investment and WIN credits and of unused foreign taxes, of certain future years;
- (3) audit examinations and other enforcement activities; and
- (4) uncollectible taxes.

The statistics, therefore, differ somewhat from the actual income tax collections and the final income tax liability of corporations for the Tax Year. Publication 55, Annual Report of the Commissioner of Internal Revenue, contains income tax collection data on a fiscal year basis as opposed to the income year basis in SOI publications. Publication 55 is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC, 20402.

#### Intangible Assets

The total gross value (before the reduction by amounts of accumulated amortization) of contracts, copyrights, formulas, licenses, patents, registered trademarks, research or experimental expenditures and similar assets were included in this category only if amortization (or depreciation) was actually being taken. These assets could be amortized only if they had a definite life and value. Other intangible assets which were not amortizable were included in the statistics with "Other Assets."

Accumulated amortization represented the cumulative adjustment to these intangible assets as shown on the corporation's books of account. Amounts of accumulated depreciation shown as adjustments to intangible assets are included in the statistics with "Accumulated Amortization."

#### Interest on State and Local Government Obligations

The interest on obligations issued by States, municipalities and other local Governments, the District of Columbia, and U.S. possessions, including Puerto Rico, was exempt from the income tax. The amounts shown for this item are reduced by the amortizable bond premium.

For statistical presentation, this interest is shown as part of the income statement and is included in "Total Receipts." Most corporations reported this tax-exempt interest in the "Reconciliation of income per books with income per returns" (see Schedule M-1 on the Form 1120 tax return facsimile in section 6 of this report).

#### Interest on U.S. Government Obligations

This taxable interest, a component of total receipts, was received from obligations issued by the United States, its agencies, or its instrumentalities. The amounts shown for this item are reduced by the amortizable bond premium.

#### Interest Paid

These amounts include interest paid by corporations on business indebtedness including amounts paid on installment purchases if they were stated in the contract, as well as certain "unstated" amounts under Code section 483. For banking and savings institutions the amounts also included interest paid on deposits and withdrawable shares.



Inventories (#)

Based on amounts reported on the balance sheet, inventories included such items as raw materials, finished and partially finished goods (work in progress), merchandise on hand or in transit, and growing crops reported as assets by agricultural concerns. Inventories were generally valued at cost or at the lower of cost or market price. When valued at cost, inventories were generally identified by first-in, first-out (FIFO) or last-in, first-out (LIFO) methods.

Amounts reported by investment and holding companies (other than operating holding companies), security and commodity brokers, dealers and exchanges, and real estate developers and operative builders, were excluded from inventories and included in the statistics for "Other Current Assets." However, for consolidated returns which included these types of companies, amounts which could not specifically be identified on a company-by-company basis were accepted as reported and included in the statistics for inventories.

See also "Cost of Sales and Operations" and "LIFO Inventory Method under Code Section 472."

Investment Credit (#)

Investment credit was the reduction of income tax allowed corporations for investment in qualifying depreciable (or amortizable) property with a useful life of at least 3 years. Such property could not be disposed of or cease to be qualifying property prior to the end of the useful life used as the basis of the credit; otherwise, the credit already taken had to be repaid as an additional tax for the year in which the disposition or disqualification occurred. (See "Tax from Recomputing Prior-Year Investment Credit.")

The Tax Reduction Act of 1975 broadened the definition of property eligible for investment credit to include "qualified progress expenditures" (described below) and temporarily increased the investment credit (before limitations) from 7 percent of "investment qualified for credit" (4 percent in the case of public utility property) to 10 percent for all corporate taxpayers and to 11 percent for corporations that contributed 1 percent of their qualified investment to an "employee stock ownership plan" (ESOP). As described below, the credit could be as much as 11.5 percent of the qualified investment if it were derived in connection with an ESOP. The Revenue Act of 1978 made the 10-percent rate permanent.

The Energy Tax Act of 1978 created a new 10 percent business energy investment tax credit. See the discussion under Changes in Law in section 2.

Special rules required that the ESOP (also referred to as a TRASOP or Tax Reduction Act Stock Ownership Plan) be established in writing, designed to invest primarily in securities, and funded by transfers of the corporation's securities (cash could be transferred if it were used to purchase the corporation's securities). Further, the ESOP qualifying rules required the total amount transferred to be allocated to the participants' account, and the participants had to be able to direct the plan as to how the allocation should be voted.

The Tax Reform Act of 1976 extended the period of the temporary increase for 4 more years through 1980 (i.e., from January 22, 1975, through December 31, 1980, instead of through December 31, 1976) and permitted corporations that claimed the 1 percent ESOP credit still another additional credit. Under this provision, for taxable years that began after December 31, 1976, such corporations could claim up to a maximum of 0.5 percent additional credit if their employees matched the amount the corporation contri-

buted to a qualified ESOP. Thus, the investment credit for these corporations could be up to 11.5 percent. The additional 0.5 percent credit was not allowed for public utilities which were required to pass through benefits of the investment credit to their consumers in the form of lower rates, instead of using the credit to offset the cost of capital investment.

For property acquired and placed in service during the 1975-1976 period, the 10 (or 11) percent rate generally applied. The 10 (or 11) percent rate was also applicable to the extent of the cost (or other basis) incurred for property constructed, reconstructed, or erected during this period. However, for property ordered during this period, but not placed in service until 1981, and property acquired after December 31, 1980, the credit was to be figured at 7 percent (or 4 percent of public utility property).

While a corporation could only claim one-half the regular investment credit, i.e., 5 percent, for such transactions, this restriction did not deny a larger credit if the property qualified under other investment credit provisions. Thus, corporations that did not use qualified withdrawals to purchase, construct, or reconstruct qualified vessels could claim the full investment credit. However, if borrowed funds were used, any amount that was repaid with qualified withdrawals had to be recaptured as tax from recomputing prior-year investment credit. Moreover, the amount of indebtedness being liquidated with the qualified withdrawals and subject to recapture could not exceed one-half of the full investment credit taken on the purchase price of the qualified vessel.

The income tax available for investment credit did not include the tax from recomputing prior-year investment credit, the tax from recomputing prior-year work incentive (WIN) credit, the additional tax for tax preferences, the Personal Holding Company tax, and the special capital gains tax on Small Business Corporations electing to be taxed through their stockholders. (Since these corporations were not eligible to claim the investment credit, their investment was allocated among the stockholders who then claimed the credit.) In addition, the tax available for credit was after reduction by the foreign tax credit and the U.S. possessions tax credit, but before reduction by the work incentive (WIN) credit and the jobs credit. Under prior law, the investment credit could equal the income tax available for the credit, unless the available tax was in excess of \$25,000 plus 50 percent of the excess over \$25,000. The \$25,000 limitation was uniquely applied to members of controlled groups (as defined by Code section 1563) in that it was applied to the group as a whole and, thus, had to be apportioned among the component members of the group when separate tax returns were filed for each member.

The Revenue Act of 1978 provided that for taxable years ending after December 31, 1978, the 50-percent limitation be increased over a transitional period to 90 percent, to be phased in at 10 additional percentage points a year. Thus for taxable years ending in 1979 the percentage was 60 and for taxable years ending in 1980 the percentage was 70.

Under the Tax Reduction Act of 1975, for public utility companies that were adversely affected by increasing energy costs and whose total qualified investment was 75 percent or more "public utility property," the percentage limitation was increased from 50 percent to 100 percent. This increased limitation was to be reduced gradually to 50 percent over the 5-year period, 1977 through 1981, by 10 percent annual decrements. Thus, in 1978 the percentage limitation was to be 80 percent, and in 1979 the percentage limitation was to be 70 percent. However, the Revenue Act of 1978 permitted these



selected public utilities to apply whichever limitation entitled them to use the greater amount of investment credits--the alternative decreasing limitation under the 1975 Act or the general increasing limitation under the 1978 Act.

Tentative investment credit represented the earned credit before taking into account the statutory limitations based on the presence and size of income tax.

Certain limitations on the credit were applicable to special classes or kinds of corporations. Code section 46 limited the applicability of the credit for mutual savings banks, building and loan associations, and cooperative banks by reducing the qualified investment and \$25,000 tax liability limitation by 50 percent. In the case of regulated investment companies and real estate investment trusts, the qualified investment and \$25,000 tax liability limitation were reduced in the same proportion in which the organization's taxable income was reduced by dividends paid to stockholders. Similarly in the case of cooperatives, the qualified investment and \$25,000 tax liability limitation were reduced in the same proportion as that by which the organization's taxable income was reduced by patronage dividends and nonpatronage distributions. Section 48 reduced the tax and used property limitations for members of "controlled groups" so that the group as a whole was subject to the same dollar limitations as an individual corporation not part of a group. For this purpose, the controlled group was somewhat more broadly defined than it was for ordinary tax computation purposes.

Generally, the investment credit that could not be claimed due to the preceding limitations became the unused investment credit for the current taxable year and could be used to reduce the income tax liability in other years.

Other than for qualified progress expenditures (described below), credit was allowed for the first year that the property was placed in service. Property qualifying for the credit was defined as tangible personal property, tangible real property (except buildings and their structural components), elevators and escalators, and single-purpose agricultural and horticultural structures.

"Tangible personal property" comprised all property which was contained in or attached to a building, such as machinery or equipment. Certain types of property, even though physically located outside a building or accessory to a building, were also considered to be tangible personal property. Tangible personal property also included livestock other than horses, and certain motion picture and television film.

"Tangible real property" was property used as an integral part of manufacturing, production, or extraction; or, used in furnishing transportation, communication, electrical energy, gas, water or sewage disposal services; or, used as a research or bulk storage facility in connection with any of these activities.

"Single-purpose agricultural structures" were structures used to house particular types of livestock (including poultry) and the equipment necessary to raise and feed that livestock. "Single-purpose horticultural structures" were greenhouses used for the commercial production of plants.

Corporations could elect to claim advance credits for taxable years before qualified property was placed in service under the progress payment rules enacted under the Tax Reduction Act of 1975. The election was for "qualified progress expenditures," defined as investment in property with a normal construction period of at least 2 years and an expected useful life of at least 7 years, for which construction was not yet completed.

Effective with payments made after January 21, 1975, the qualified progress expenditures provision

was to be phased in over a 5-year period, i.e., taxable years which ended in 1975 through 1979. During this 5-year phase-in period, the percent of qualified progress expenditures included in investment qualified for credit was gradually increased 20 percent each year. Thus, 80 percent of the 1978 expenditures would be included for 1978; and finally, 100 percent of the 1979 expenditures would be included for 1979. In addition, the expenditures not included in investment qualified for credit for a given year, based on these percentage limitations, were nevertheless included in subsequent years through 1979. Increments of 20 percent of the expenditures would be included in investment qualified for credit for each subsequent year.

For the taxable year in which progress expenditure property was placed in service, investment qualified for credit was the full cost or basis of the property reduced by that portion of qualified progress expenditures on which credits were previously taken.

"Public utility property," which was generally eligible for the credit, was property used predominantly in the business of selling or furnishing: (1) electrical energy, water, or sewage disposal services; (2) gas through local distribution systems; (3) telephone services, and telegraph services by means of domestic telegraph operations; and (4) other communication services except international telegraph services. However, the rates for any of these services had to be established or approved by certain types of government regulatory bodies. When acquired by nonregulated companies, the type of communication property (or property used for communication purposes) normally used by regulated utilities was also included in public utility property subject to the credit.

Investment credit could not be claimed for "short-lived" property, and the eligibility of used property was limited in that the total cost recognized could not exceed \$100,000. The \$100,000 limitation represented a temporary increase for taxable years beginning in 1976 (under the Tax Reduction Act of 1975). Under prior law, the limitation was \$50,000. The Revenue Act of 1978 made the \$100,000 limitation permanent.

Also ineligible for the investment credit was: (1) property used for lodging, except for coin-operated machines in apartment buildings, (2) property used predominantly outside the United States, except for commercial communication satellites, submarine telephone cable used exclusively in communication links between the United States and foreign countries, and drilling equipment used in international or territorial waters; (3) property used by certain tax-exempt organizations; (4) property used by governmental units, or international organizations; (5) property consisting of horses, or of other livestock if sold and replaced by substantially identical animals during a relatively short specified period of time; (6) pollution control facilities, railroad rolling stock, coal mine safety equipment, on-the-job training and child care facilities, and expenditures for the rehabilitation of low-income rental housing, for which the special 5-year amortization was elected in lieu of ordinary depreciation; and (7) certain foreign-produced property (especially defined) that was stated under executive order of the President.

#### Investment Credit Carryover

See "Investment Credit."

#### Investment Qualified for Credit

See "Investment Credit."



### Investments in Government Obligations

This balance sheet asset item comprised (1) bonds or other obligations of a State or U.S. possession (including Puerto Rico), including obligations of political subdivisions and of the District of Columbia, and (2) U.S. obligations, including those of instrumentalities of the Federal Government. In those instances where a corporation reported only one total for investments in Government obligations and did not indicate whether the obligations represented those of the United States or of State and local Governments, the total was treated as investments in U.S. obligations.

### Jobs Credit (#)

The Revenue Act of 1978 substantially changed the new jobs credit (which was created by the Tax Reduction and Simplification Act of 1977). See the discussion of this credit under Changes in Law in Section 2. In table 1.14 the amounts shown for jobs credit claimed exceed the amounts shown for jobs credit limitation. This occurred because some taxpayers claimed the jobs credit without filing Form 5884 and consequently did not calculate the limitation on the credit. These figures, as well as all other figures in this report, are based on pre-audit information and therefore do not reflect any changes in tax liability resulting from examination of returns after filing.

### Land

Land, which was reported as a separate capital asset on the balance sheet, may be understated in this report because it could not always be identified. Some corporations may have included land as part of depreciable or depletable assets or included it in "other investments." Some corporations may have included land as part of depreciable assets; if so, the amount was statistically reclassified as land. If land had previously been certified as an emergency facility for the national defense, it could be amortized. If so, only the net land value (i.e., the value of land after the adjustment for amortization) was reported.

### LIFO Inventory Method under Code Section 472

Table 1.15 includes statistics on corporations which elected to account for their inventories using the last-in, first-out (LIFO) method authorized under Code section 472. Corporations electing to do so were required to attach Form 970, Application to Use LIFO Inventory Method, to their return. The Form 970 or equivalent statement must have been attached to the return form and such application had to be for the year at the close of which the LIFO method was first used. Additionally, an analysis of the inventory to which the method applied to must have been furnished in detail. Once this inventory method was adopted, permission was required from the local District Director of Internal Revenue to change to another method.

LIFO could be adopted for tax purposes only if it was also used in accounting for inventories in the corporation's books and, in general, the election to use it applied to the entire inventory. (The LIFO method could be adopted only if inventories were valued at cost.) However, there were situations under which it could be used in combination with other methods.

One of these situations allowed corporations operating more than one distinctly different type of business to use different methods for each business.

Thus, LIFO could be elected separately for each business. Moreover, corporations could further elect to apply LIFO only to the raw materials in their manufacturing or processing operation. This election could apply to all or only part of the raw materials inventoried. In a consolidated return LIFO could be separately elected for each group member.

The taxpayer generally indicated the method of inventory valuation in answer to the question in the Cost of Goods Sold Schedule (Schedule A) on the return; sometimes this was indicated in schedules attached to the return. (See the facsimile of the return form in section 6.)

The use of LIFO was based on the proposition that the most recently purchased or produced items in inventory were those that were sold first and that income was most clearly reflected by relating current costs to sales. Thus, in a period of rising prices, older less costly items in inventory were deemed unsold at the end of the year so that the cost of closing inventory was reduced. In turn, the smaller closing inventory resulted in a larger deduction for cost of goods sold and, consequently, a lower taxable income.

Under LIFO, goods and materials remaining on hand at the close of the year were treated, first, as those included in opening inventory to the extent thereof, and, second, as those added during the year. Items treated as having been in opening inventory were valued in order of acquisition except for the first LIFO year, when they were valued at average cost. Additions to inventory during the year were valued, at the corporation's option, on the basis of the most recent purchases, at an average cost for the year, in the order in which they were acquired, or by any other method that reflected income most clearly.

LIFO could be applied to each item in inventory, or it could be applied to the dollar value of pools of items set up along product or business activity lines. In order to determine whether or not closing inventory of a pool had increased over opening inventory, the change in dollar value was first converted to cost at the beginning of the first LIFO year. An increase in value was converted to current-year cost for LIFO by applying to the base-year cost a ratio that related current-year cost to base-year cost. The result was added to the base-year cost and became the closing LIFO inventory. (Current-year cost was determined using the same optional rules described above to determine the cost of additions to inventory during a LIFO year.) A decrease in value was applied against the most recent prior-year additions to the pool (expressed in terms of base-year cost), working backward chronologically from the current year. Any of the additions that remained for these earlier years were reconverted to a LIFO basis by using the ratio that was in effect for each year. The result was added to the base-year cost and became the closing LIFO inventory.

In addition, corporations with retail trade operations could use LIFO in conjunction with the retail valuation method in establishing the value of their retail stock. But, when the retail method was used in combination with LIFO, an adjustment, similar in effect to that required for nonretail operations when "dollar value LIFO" was used, had to be made for changes in price level that occurred during the year. Thus, closing inventories valued at retail were first converted to the price level of opening inventory at the beginning of the first LIFO year by use of index numbers such as those issued by the Bureau of Labor Statistics. The current-year closing retail value was then compared with the value of the original inventory to determine if there had been an increase or a decrease during the current year. An increase was converted to current-year cost by taking account of markups and markdowns. A decrease was

applied against prior-year increases, adjusting each prior year for price level by reference to the appropriate index numbers for the year.

#### Loans from Stockholders

This balance sheet liability item was regarded as long-term in duration and may have included loans from affiliated corporations as well as from other stockholders.

#### Loans to Stockholders

This balance sheet asset item was regarded as long-term in duration and included loans to affiliated corporations as well as to other stockholders.

#### Members of Controlled Groups

Members of controlled groups were those corporations which were related to one another generally through 80 percent or more common stock ownership and which could file separate tax returns, under special provisions of the Code.

These provisions also effectively covered the filing prerequisites for most consolidated returns since the stock ownership requirement used to define an affiliated group eligible to file a consolidated return was similar to the controlled group ownership requirements. In computing income tax, Code section 1561 limited the surtax exemption to one per group, whether or not the group was included in a consolidated return. (See "Consolidated Returns.")

The controlled group provisions applied when (1) a common parent corporation had 80 percent or more control of one or more chains of subsidiaries (parent-subsidiary group), or when (2) five or fewer persons (individuals, estates, or trusts), individually or in combination, had 80 percent or more control of each of two or more corporations, but where the sum of each person's "identical" ownership in the group totaled more than 50 percent (brother-sister group). "Identical" ownership was considered to be the lowest common percent of ownership of an individual owner in each of the corporations comprising the group. Thus, if a person had ownership in each corporation in a given group and the smallest percent ownership was, for example, 5 percent of corporation A, that person's identical ownership in the entire group was considered to be 5 percent. Combination groups were possible when a person or persons controlled two or more corporations, one of which was the parent of one or more subsidiary corporations.

Two or more related life insurance companies were required to be treated as a controlled group separate from any other corporation to which they may have been related. Domestic International Sales Corporations (DISC's) were by their nature members of controlled groups. However, control was defined in terms of 50 percent stock ownership.

Control was based on the total combined voting power or total value of all classes of outstanding shares. Certain stock was disregarded altogether and special constructive stock ownership rules applied depending on the type of controlled group involved. Certain corporations were not considered as members of controlled groups. Included in this category were franchised corporations, tax-exempt organizations, foreign corporations with income not effectively connected with a U.S. trade or business, and corporations which were members of the controlled group for less than one-half the days in their taxable year that preceded December 31.

#### Mortgage and Real Estate Loans

Mortgage and real estate loans were, in general, the total amount which a corporation loaned on a long-term basis, accepting mortgages, deeds of trust, land contracts, or other liens on real estate as security.

Because the return form did not provide a separate place for reporting any reserve for uncollectible mortgage and real estate loan accounts, such reserves may have been included in the "Allowance for Bad Debts," shown in this report as an adjustment to "Notes and Accounts Receivable." If a separate reserve was indicated in supporting schedules, statistics for it were, therefore, added to the "Allowance for Bad Debts."

#### Mortgages, Notes, and Bonds Payable

These liabilities were separated on the balance sheet according to the length of time to maturity of the obligations. The length of time to maturity was based on the date of the balance sheet rather than on the date of issue of the obligations. Accordingly, long-term obligations, maturing within the coming year were included together with short-term obligations in the statistics for mortgages, notes, and bonds payable in less than one year.

Deposits and withdrawable shares may have been reported in mortgages, notes, and bonds payable by banks and savings institutions. When identified, such amounts were transferred to "Other Current Liabilities."

#### Net Capital Gains (Net long-term capital gain reduced by net short-term capital loss) (Net short-term capital gain reduced by net long-term capital loss) (#)

Net capital gains represented the excess of gains over losses from the sales or exchanges of capital assets subject to the limitations described below. Gains and losses were short-term if the asset was held for 9 months or less (12 months for taxable years beginning after December 31, 1977) or long-term if the asset was held for more than 9 months (12 months for taxable years beginning after December 31, 1977).

Net short-term gains (reduced by net long-term losses) were taxed as ordinary income. However, net long-term gains (reduced by net short-term losses) were taxed at a rate of 30 percent for taxable years ending before December 31, 1978. The Revenue Act of 1978 reduced the capital gains tax rate to 28 for taxable years ending after December 31, 1978. (See the discussion under Changes in Law in section 2.)

Excess net losses could be carried back as short-term losses to be applied against the net capital gains of the 3 preceding years; any losses remaining after carryback were carried over the 5 succeeding years. Use of the carryback for excess net losses was limited; it was not allowed to increase or cause a deductible "net operating loss" for prior years and was not allowed for foreign expropriation capital losses (although a special carryover period of 10 years for such losses was allowed instead) or for capital losses of Small Business Corporations electing to be taxed through their stockholders. If the unused capital loss carryover was not eliminated within the prescribed span of years, it could not be taken.

In general, "capital assets" for tax purposes meant property regarded or treated as an investment, such as stocks and bonds. Code section 1221 defined the capital assets (or transactions) to which special treatment applied as all property held by the corporation except:

(1) stock in trade, or property of a kind includable in inventories;



- (2) property held for sale to customers in the ordinary course of business;
- (3) notes and accounts receivable acquired in the ordinary course of business;
- (4) certain short-term Government obligations sold at a discount;
- (5) depreciable property used in the trade or business;
- (6) real property used in the trade or business; and
- (7) certain copyrights, literary, musical, or artistic compositions or similar properties.

Net gains from dispositions of some of the property types excluded from the definition of capital assets under Code section 1221 could receive capital gain treatment under special conditions set forth in other sections, while net gains from some of the property types included under the definition could be denied capital gain treatment under still other sections. The latter are referred to under the heading, "Net Gain (or Loss), Noncapital Assets."

Property used in trade or business, excluded from the tax definition of capital assets, received special treatment under Code section 1231. Gains and losses from sales or other dispositions of this property had to be aggregated first. If the overall result was a net gain, it was included in the computation of net long-term capital gain or loss. If the overall result was a net loss, it was included in the computation of net gain or loss from sales of property other than capital assets. Thus, a net gain under section 1231 could receive the more beneficial treatment of a long-term capital gain taxable at the alternative tax rate, while a net loss under section 1231 could receive the more beneficial treatment as an ordinary loss fully deductible against all types of income and not just against capital gain income.

The types of property (or transactions) to which Code section 1231 applied were:

- (1) real and depreciable property used in the trade or business, held for more than 9 months (12 months for taxable years beginning after December 31, 1977), and not includable in inventory or not held for sale in the ordinary course of business;
- (2) timber cut by the taxpayer during the year, if owned, or held under contract to cut, for more than 9 months (12 months for taxable years beginning after December 31, 1977) and if an election was made under Code section 631 to treat the cutting as a sale or exchange of property used in trade or business (the holding period was measured up to the time of cutting);
- (3) domestic iron ore, timber, or coal, held for more than 9 months (12 months for taxable years beginning after December 31, 1977), if disposed of under a royalty contract whereby the owner retained an economic interest in the property, so that under Code section 631, the net gain or loss on the royalty income was treated as a net gain or loss on a sale or exchange of property used in trade or business;
- (4) unharvested crops disposed of with the land on which they were growing and used in the business of farming if the land was held for more than 9 months (12 months for taxable years beginning after December 31, 1977); and
- (5) livestock (including fur-bearing animals such as chinchillas, minks, and foxes), except poultry, held for drafting, breeding, dairying, or sporting purposes, and, except for cattle and horses, acquired after 1969, held for 12 months or more. The holding period for cattle and horses acquired after 1969 was 24 months or more.

The amounts of gain eligible for capital gains treatment under Code section 1231 was reduced in the case of certain real and depreciable property by sections 1245, 1250, 1251, 1252, and 1254, and in the case of certain mining property, by section 617.

Code section 1245 provided that eligible gain for most depreciable property, except certain kinds of real property, be based on the amount of depreciation allowed on it prior to 1962. Section 1250 provided that eligible gain for certain depreciable realty be based on a percentage of the excess of accelerated depreciation over straight-line depreciation allowed prior to 1963 and on the length of time the property was held. However, with certain exceptions for sales of housing, no gain based on excess depreciation taken after 1969 was eligible for capital gains treatment.

Section 1251 further limited the eligible gain for certain types of real or depreciable property to the amount in excess of farm net losses accumulated after 1969 or, in the case of farmland, to an amount in excess of certain agricultural deductions accumulated during the most recent 5-year period. Section 1252 went further, by then limiting the gain treatment of farmland depending on the length of time the property was held. Section 1254 limited the gain treatment on sales of residential real property and on the disposal or sale of productive oil and gas wells.

Section 617 limited eligible gain on certain mining property to an amount in excess of the sum of current- and recent-prior year deductions for exploration and development expenditures.

None of these Code provisions had any effect on the treatment under Code section 1231 of losses resulting from the disposition of such property. For a description of the property to which sections 1245, 1250, 1251, 1252, 1254, and 617 applied, see the explanation of "Net Gain (or Loss), Noncapital Assets."

Net gains and certain net losses under Code section 1231 also resulted from "involuntary conversions," not only of the property types or transactions otherwise covered by section 1231, but also of the capital assets defined in section 1221, if they were held for more than 6 months. Gain or loss from involuntary conversions such as by condemnation were included in the regular consolidation of section 1231 gains and losses previously described. However, a separate netting of gains and losses was required for involuntary conversions by theft, or from fire, storm, shipwreck or other casualty, whether insured or uninsured. If the result was a net loss, it was treated as a fully deductible loss (without regard to other section 1231 transactions) and was excluded from the capital gain statistics. If, on the other hand, the result was a net gain, then it was consolidated with other gains and losses under section 1231. See the discussions of "Net Gain (or Loss), Noncapital Assets" and "Other Deductions."

See also, "Additional Tax for Tax Preferences."

#### Net Gain (or Loss), Noncapital Assets (#)

In general, "noncapital assets" related to property of a business nature. The computation of net gain or loss, noncapital assets, resulted mostly from the sale or exchange of: (1) certain depreciable, depletable, and real property (described below); (2) notes and accounts receivable acquired in the ordinary course of business for services rendered or from the sale of property includable in inventory, or ordinarily held for sale; (3) certain copyrights, literary, musical, or artistic compositions or similar properties; (4) securities by dealers; (5) securities, including Government obligations, and other evidence of indebtedness, such as convertible debentures, by banking, savings, and certain other financial institutions; (6) certain patents, inventions or designs, secret formulas or processes, and similar property rights by domestic corporations to their more-than-50-percent owned foreign subsidiaries; and (7) qualified export assets by Domestic International Sales Corporations (DISC's). Also included in the computation were amounts resulting from certain



"involuntary conversions" including net losses from casualty and theft, and amounts resulting from certain sales, exchanges, or redemptions of Controlled Foreign Corporation stock (see "Dividends Received from Foreign Corporations").

With respect to the statistics for net gain or loss, noncapital assets, an assumption was made in the case of sales of stocks and commodities by stock and commodity dealers; and sales of real estate by real estate subdividers, developers, and operative builders. If these transactions were included in gross receipts and cost of goods sold on the tax return, instead of in net gain or loss from noncapital assets, the resulting profit or loss from the transactions (representing the difference between the receipts and the cost of sales) was transferred to the statistics for net gain or loss, noncapital assets, but only if the cost of sales was 50 percent or more of the receipts (if less than 50 percent, the receipts were regarded as commission income). The tax return data for receipts and cost of sales were accordingly adjusted for the statistics.

Because of a processing error involving a few 1979 returns in the commodity contracts brokers and dealers; security and commodity exchanges; and allied services minor industry group, business receipts are overstated by \$823,041,348, because the adjustment described above was not performed. Net loss, noncapital assets, is overstated by \$806,479,256. Net gain, noncapital assets, is understated by \$16,562,092. While "Total receipts" and "Total deductions" are similarly misstated, "Total Receipts less Total Deductions" is unchanged.

As explained under the definition of "Net Capital Gains," a net gain from dispositions of (or certain transactions involving) specified types of business assets that were considered noncapital assets based on Code section 1221 could receive capital gains treatment under section 1231. Gains and losses from these dispositions or transactions first had to be aggregated. If the overall result was a net gain, it was included in the computation of net long-term capital gain, but if the overall result was a net loss, it was included in the computation of net gain or loss, noncapital assets. The special treatment in this computation of gains and losses resulting from involuntary conversions, due mostly to casualty and theft, is described under "Net Capital Gains." Form 4797, Supplemental Schedule of Gains and Losses, called for net losses from casualty and theft to be included in the computation of "net gain or loss, noncapital assets" (although some corporations reported them in "other deductions").

The amount of gains (but not losses) on dispositions of property includable in the computation of net gain or loss under Code section 1231, was limited as a result of sections 1245, 1250, 1251, 1252, 1254 (described below), and 617. To the extent the amount eligible for capital gains treatment was thereby reduced, the amount included in the statistics for net gain or loss, noncapital assets, was increased.

Code sections 1245 and 1250 applied to certain depreciable property. Sections 1251 and 1252 prescribed additional rules for much of this same property if it was used in the business of farming, as well as for certain other types of property used in farming and covered under section 1231. Section 617 applied to certain depletable property.

Code sections 1245 and 1250:

The depreciable property to which Code section 1245 applied was: (1) personal property other than livestock, whether tangible (such as machinery and equipment) or intangible (such as patents and copyrights); and (2) other tangible property including certain realty other than buildings and their struc-

tural components, if it was an integral part of specified business activities, or which constituted research or storage facilities used in connection with such activities. The business activities qualifying were manufacturing, production, or the providing of transportation, communications, electrical energy, gas, water, or sewage disposal services.

Gain from the sale of residential rental property that was equal to the excess of accelerated depreciation over straight-line depreciation was recaptured as ordinary income.

The depreciable property to which Code section 1250 applied was real property not already covered by section 1245. In general, this property consisted of buildings and their structural components, in the case of tangible property; or leaseholds of land, in the case of intangible property.

The amount of gain on dispositions of depreciable property under Code sections 1245 and 1250, treated as ordinary income and included in the statistics for net gain or loss, noncapital assets, generally depended upon the amount of depreciation claimed on the asset after a certain date prior to its disposition, although other factors were also considered in the case of section 1250 dispositions.

Under Code section 1245, the amount of gain treated as ordinary income was based on the depreciation (or amortization in the case of defense "emergency facilities") allowed or allowable after 1961 (after 1963 for elevators and escalators and after 1969 for livestock (including fur-bearing animals such as chinchillas, minks, and foxes)). This "depreciation recapture" applied to dispositions of property made during taxable years beginning after 1962 (after 1963 for elevators and escalators and after 1969 for livestock).

Under Code section 1250, the amount of gain treated as ordinary income was based, in general, on the excess of accelerated over straight-line depreciation allowed or allowable after 1963. However, this "depreciation recapture" was further qualified in the case of depreciation taken during 1963-69 so that if the property was held for more than 20 months, the "recapture" was further reduced to a proportion of this difference until, when the property was held for 10 years, the "recapture" as ordinary gain was not applicable at all. For depreciation taken after 1969, these qualifications were rescinded (with certain exceptions for residential rental housing, housing rehabilitation expenditures, and Government-subsidized housing), so that the entire amount of post-1969 excess depreciation was "recaptured" as ordinary income.

Code sections 1251 and 1252:

Under Code section 1251, net gain or loss from noncapital assets included ordinary gains from the sale or other disposition of certain types of farm business property which would otherwise have been eligible for long-term capital gain treatment under section 1231. Dispositions already regarded as ordinary gain or loss using section 1250 rules were excluded.

Amounts treated as ordinary gain were based on farm net losses accumulated after 1969. These net losses were before consideration of the gain or loss under Code section 1231 and, over the years, were first offset against any farm net income. The resulting accumulated loss was then applied against the gain on farm property. If the gain exceeded the accumulated loss, it was treated as ordinary gain to the extent of the loss and only the excess gain was eligible for capital gains treatment. If the reverse was the case, the gain was similarly treated and the excess loss was carried over for use in connection with



future gains. For electing Small Business Corporations, this recapture of farm losses was less restrictive and was applicable only if farm net loss exceeded \$25,000, nonfarm net income exceeded \$50,000, and none of the stockholders had a farm net loss of their own. Section 1251 was not applicable if farming operations were accounted for on an accrual basis, inventories used, and deductible amounts capitalized and recovered over the years through depreciation, even though the law permitted expensing of the full amount currently on an elective basis.

Code section 1231 property subjected to these recapture rules included depreciable personal property; livestock (including fur-bearing animals such as chinchillas, minks, and foxes), except poultry; unharvested crops sold with the land on which they were growing; and land. For land, there was a limitation under section 1251 on the amount of gain treated as ordinary income: the amount recaptured could not exceed accumulated deductions for soil and water conservation and land clearance expenditures in the current and 4 preceding taxable years. However, there was an additional recapture for land, under section 1252. This recapture was based on a declining annual percentage of total post-1969 deductions for these same expenditures. The percentage was reduced to zero when land was held for 10 years or more, at which time the additional recapture did not apply.

#### Code section 1254:

Code section 1254 required recapture of amounts deducted for intangible drilling expenses on productive wells to the extent that those amounts deducted exceeded the amounts which were allowable had the intangible drilling expenses been capitalized and amortized over the useful life of the well. This was in addition to the requirement that the gain on the sale of oil and gas property be recognized as ordinary income to the extent of depreciation of tangible personal property.

#### Code section 617:

Under Code section 617, corporations engaged in domestic mining operations that elected to claim unlimited deductions for exploration and development expenses (except for oil and gas) had to "repay" their post-1969 deductions when the mine reached the producing stage or when it was sold. If the mine was sold, the profit was treated as an ordinary net gain from a noncapital asset to the extent that the gain was equal to or less than any post-1969 deductions not already "recaptured" prior to the sale. Such gains are reflected in the statistics for net gain (or loss), noncapital assets. Any net gain in excess of the deductions was a net gain under section 1231, and eligible for capital gains treatment.

#### Net Income (or Deficit) (#)

This is the difference between gross taxable receipts and the ordinary and necessary business deductions allowed by the Code, and reflects not only actual receipts but "constructive" receipts (i.e., certain income from Controlled Foreign Corporations and foreign dividend income resulting from foreign taxes deemed paid) as well. Interest from State and local government obligations was excluded from these items.

Because certain statutory special deductions from net income were allowed most corporations in computing their income subject to tax, the statistics for net income are generally larger than the amounts shown for "Income subject to tax." Included in the net income statistics are amounts for Small Business Corporations (only certain long-term capital gains were taxable to these corporations). Also, the net

income statistics include amounts for Domestic International Sales Corporations (DISC's); these corporations were not taxable.

For mutual insurance companies other than life or marine and other than certain fire or flood insurance companies, the net income (or deficit) in this report is the sum of the net investment income or loss, the statutory underwriting income or loss, and the subtractions from the Protection Against Loss (PAL) account before reduction by the statutory special deductions allowed corporations in general. Consequently, net income (or deficit) reflects not only the ordinary business deductions, but the statutory deductions from underwriting income allowed only to these mutual insurance companies. Net income (or deficit) also reflects the additions (if any) to taxable income of amounts in the PAL account previously deferred from taxation. Further, for some small mutual insurance companies electing to report under Code section 821(c), net income was net investment income only. (Electing companies were not required to report underwriting income.) The section 821(c) provisions were applicable only to companies with income from investments (other than capital gains), with premiums of less than \$500,000, and with no reserve in the PAL account.

For life insurance companies, the net income (or deficit) used for statistical purposes comprised the gain or loss from operations adjusted by adding back the dividends received and the operations loss deductions. Gain or loss from operations (which included both underwriting and investment income) represented gross taxable receipts reduced by ordinary and necessary business deductions and by additions to required reserves, certain other statutory deductions pertinent only to these companies, and by the dividends received and operations loss deductions.

#### Net Long-Term Capital Gain Taxed at Alternative Rate (#)

This was the part of the tax base used for the tax computation for those returns using the alternative tax rate. The alternative method, allowed under Code section 1201, was used if it provided a lower tax liability than did the use of the normal tax and surtax rates on total taxable income. See the discussions of "Income Subject to Tax" and "Income Tax."

Income subject to tax for returns with alternative tax was the sum of (1) net long-term capital gain (reduced by net short-term capital loss), and (2) income taxed at regular rates (the balance of taxable income).

For most corporations, use of the alternative tax did not affect the amount shown as "Income Subject to Tax." However, when net long-term capital gain (reduced by net short-term capital loss) was greater than taxable income (net income minus statutory special deductions) but the alternative rate applied to the capital gains was less than the regular rates applied to taxable income, the capital gains, rather than taxable income, became the tax base and was used for the "Income Subject to Tax" statistics. The Revenue Act of 1978 reduced the alternative rate from 30 to 28 percent for taxable years ending after December 31, 1978. See the discussion under Changes in Law in section 2.

#### Net Worth (#)

Net worth represented the stockholders' equity in the corporation (total assets minus the claims of creditors). In the statistics, net worth comprises the net sum of the following items:

- (1) capital stock;
- (2) paid-in or capital surplus;
- (3) retained earnings, appropriated;
- (4) retained earnings, unappropriated; and
- (5) less: cost of treasury stock.

Each of these items is explained under its own heading in this section. Tables 1.2, 1.3, 1.4, 1.5, 2.2, 2.3, 2.4, and 2.5 show these items separately; tables 1.1, 1.6, 1.7, 2.1, 2.6 and 2.7 combine these items and show them under the statistics for net worth.

#### Noncalendar Year Returns (#)

Returns filed for a 12-month accounting period ending other than in December were included in this classification. Figure C in section 1 shows the percentage of returns filed for each of the accounting periods covered in this report.

#### Notes and Accounts Receivable

Notes and accounts receivable were, in general, the gross amounts arising from business sales or services to customers on credit during the ordinary course of trade or business which would normally be converted to cash within 1 year. Current nontrade receivables were generally included in "Other Current Assets."

The balance sheets on most corporation income tax forms called for the reporting of both "gross" receivables and the "allowance for bad debts." However, some corporations reported only the net amount. In the case of insurance companies filing balance sheets in the form required under State law, only the net amount was reported.

Loans and mortgages may have been reported in notes and accounts receivable by savings and loan associations. When identified, such mortgage loans were transferred to "Mortgage and Real Estate Loans."

The "Allowance for Bad Debts," shown as an adjustment, may also include the reserves for the separate account "Mortgage and Real Estate Loans." As a result, it was possible for the "Allowance for Bad Debts" to exceed the amount of notes and accounts receivable.

In those tables where the item "Notes and Accounts Receivable, Net" appears, the amount shown includes a deduction of "Allowance for Bad Debts."

#### Number of Returns

Returns of inactive corporations were excluded from the statistics. (See "Returns of Inactive Corporations.") The number of Form 1120-DISC and Form 1120S returns filed, respectively, by Domestic International Sales Corporations and Small Business Corporations for which an election was made to be taxed through stockholders are included in each total number (except for those tables which specifically exclude these returns) and are also shown separately in some of the tables.

See also "Consolidated Returns" and "Returns of Active Corporations."

#### Number of Subsidiary Corporations

This was the number of subsidiary corporations of the parent corporation included in a consolidated return. It excluded subsidiaries identified as Domestic International Sales Corporations or as subsidiaries of subsidiaries. See also "Consolidated Returns."

#### Other Assets

Other assets comprised, in general, noncurrent assets which were not allocable to a specific account on the balance sheet, and certain accounts for which no distinction could be made between current and non-current status.

Includable were such items as deferred charges reported as noncurrent by the corporations, interest discounts, guaranty deposits, and intangible assets not subject to amortization. Other assets of banks included property held in trust if included in the banks' assets. Other assets of life insurance companies included the market value of real estate, and that portion of stock and bond holdings in excess of book value. For Domestic International Sales Corporation (DISC's), this item also included "nonqualified assets" (i.e., assets that were not export-related or that failed to meet the requirements indicated for "qualified export assets" in Code section 993).

#### Other Capital Assets Less Reserves

This item consisted of depletable assets less accumulated depletion, land and intangible assets less accumulated amortization. Each is described separately under its own heading in this section.

#### Other Current Assets

Assets not allocable to a specific current account in the return form balance sheet, and assets specifically reported as short-term by the corporation, as well as marketable securities other than Government obligations, comprised this account.

Includable were prepaid expenses, nontrade receivables, coupons and dividends receivable, claims and judgments, and similar items. For construction corporations, amounts reported as current for contract work in progress in excess of billings were includable.

Also includable in other current assets were amounts reported as inventories on nonconsolidated returns of holding and other investment companies (except operating holding companies); security and commodity brokers, dealers, and exchanges; and real estate subdividers, developers, and operative builders.

#### Other Current Liabilities

Other current liabilities included, for the most part, certain amounts due and payable within the coming year. The account comprised accrued expenses, as well as current payables not arising from the purchase of goods and services and not evidenced by bonds, notes, or mortgages. Examples of other current liabilities were taxes accrued or payable, accrued employee accounts such as for payrolls and contributions to benefit plans, dividends payable, overdrafts, accrued interest or rent, and deposits and withdrawable shares of banking and savings institutions.

For construction corporations, amounts of advances of deposits on uncompleted contracts or jobs in progress were included in this item, if reported as current.

#### Other Deductions (#)

Other deductions comprised (1) business expenses which were not allocable to a specific deduction item on the return form, or which were not included elsewhere on the return form, and (2) certain amounts which were given special treatment in the course of statistical processing.

The first category included such items as administrative, general, and selling expenses; bonuses and commissions; delivery, freight, and shipping expenses; sales discounts; travel and entertainment expenses; utility expenses not reported as part of the cost of goods sold; and similar items. Included in this category are any amounts deducted for the removal of architectural and transportation barriers to the handicapped and elderly under Code section 190.



The second category included salaries and wages not reported as a cost of sales and operations and not reported as a part of another deduction item; amortization of bond premiums, loan and mortgage costs, and other financial items reported as amortization rather than as part of other deductions; unrealized profit on current-year installment sales; reported amounts of negative income; and certain "involuntary conversions" (described below). Also included were itemized business deductions and other deductions unique to Domestic International Sales Corporations (DISC's), life and most mutual insurance companies. In the case of DISC's, the statistics include deductions such as those for market studies, sales commissions, and freight and other expenses (whether or not they were considered export promotion expenses).

The statistics for other deductions may include losses resulting from involuntary conversions by theft, or from fire, storm, shipwreck, or other casualty, if these losses were reported in the taxpayer's own schedule for other deductions. For the statistics, no attempt was made to transfer the data to the ordinary gains or losses computation. Losses from involuntary conversions which were reported as ordinary losses derived from Form 4797, Supplemental Schedule of Gains and Losses, were included in the estimates for "Net Gain (or Loss), Noncapital Assets." See also the discussion under "Net Capital Gains" in this section.

#### Other Interest

Included in this item were amounts received on loans, notes, mortgages, bonds, bank deposits, and corporate bonds less amortizable bond premiums. For installment sales, interest received included amounts stated in the contract and certain unstated amounts of interest, as provided in Code section 483.

For Domestic International Sales Corporations (DISC's), this item included "Interest on Producer's Loans." See the explanation of "Domestic International Sales Corporation Returns" in this section.

#### Other Investments

This category generally included long-term non-Government investments and certain investments for which no distinction could be made as to their current or long-term nature. Non-Government investments generally not held for conversion to another form within the coming year included stocks, bonds, loans on notes or bonds, loans to subsidiaries, and other types of financial securities. Also included in this category were investments unique to Domestic International Sales Corporations (DISC's), such as investments in related foreign export corporations, Export-Import Bank obligations, and producer's loans.

Real estate not reported as a fixed asset could also be included. In certain instances, land and buildings owned by real estate operators (except lessors of real property other than buildings), and real holdings of insurance carriers (other than their home office and branch office buildings and equipment), were reported as "other investments."

In one respect the statistics may be somewhat overstated. Treasury stock held for resale or for future distribution may have been reported as an asset on some tax returns and, if not clearly identified as Treasury stock, would have been included in the statistics for "Other Investments." When these amounts could be identified, they were transferred to the liability side of the balance sheet statistics under "Cost of Treasury Stock."

#### Other Investments and Loans

This item consisted of loans to stockholders, mortgage and real estate loans, and other investments. Each is described separately under its own heading in this section.

#### Other Liabilities

Other liabilities were obligations which were not allocable to a specific account on the balance sheet and which were either noncurrent accounts, in general not due within 1 year, or accounts which could not be identified as either current or long-term.

Examples of other liabilities were deferred or unearned income not reported as part of a current account, provisions for future taxes based on the effects of either accelerated depreciation or possible income tax adjustments such as for the investment credit, and principal amounts of employee and similar funds.

#### Other Receipts (#)

Other receipts included amounts not elsewhere reported on the return form, such as: profits from sales of commodities other than the principal commodity in which the corporation dealt; income from minor operations; cash discounts; income from claims, license rights, judgments, and joint ventures; net amount earned under operating agreements; profit from commissaries; profit on prior-years' collections (installment basis); profit on the purchase of a corporation's own bonds; recoveries of losses and bad debts previously claimed for tax purposes; refunds for the cancellation of contracts; and income from sales of scrap, salvage, or waste. Also regarded as other receipts were certain dividends received, such as from Federal Reserve and Federal Home Loan Banks, and from the following special classes of corporations: corporations deriving a large percent of their gross income from sources within a U.S. possession; and tax-exempt charitable, educational, religious, scientific and literary organizations, and mutual and cooperative societies including farmers' cooperatives.

For Domestic International Sales Corporations (DISC's), other receipts comprised all "nonqualified" gross receipts reported on the return except nonqualified dividends. In addition, in the case of DISC's acting as commission agents for someone else, only the commissions earned and not the underlying gross receipts on which the commissions were earned were included in the statistics. Nonqualified gross receipts thus took into account: (1) sales of goods and services for ultimate use or consumption in the United States; (2) exports subsidized by the U.S. Government; (3) certain direct or indirect sales or leases for use by the U.S. Government; and (4) sales to other DISC's in the same controlled group of corporations. (See also "Business Receipts.")

#### Overpayments Claimed as a Credit

This was the amount of overpayment the corporation specifically requested to be credited to the current year's estimated tax, in lieu of requesting a refund in the prior year. The credit is reflected in the amount shown as estimated tax payments.

#### Paid-In or Capital Surplus

This balance sheet item comprised additions to the corporation's capital from sources other than earnings. These sources included amounts of surplus occasioned by donation, appreciation of assets,

receipts from the sale of capital stock in excess of stated value, stock redemptions or conversions, and similar transactions. The amounts shown are after deducting any negative amounts.

#### Part-Year Returns (#)

Part-year returns were those filed for accounting periods of less than 12 months. Such returns were filed as a result of business liquidations, reorganizations, mergers, and changes to new accounting periods. Figure C in section 1 shows the percentage of returns filed for each of the accounting periods covered in this report. Data from part-year returns are included in the statistics.

#### Payments With Applications for Extension of Filing Time (Forms 7004 and 7005)

These statistics were derived from the income tax returns rather than from the application for extension of time to file, Form 7004, and the application for additional extension of time to file, Form 7005, or their equivalents. Corporations which filed Form 7004 on time and paid the required amount of tax liability (tentatively determined) were granted an automatic extension of 3 months in which to file returns. A second extension (requested on Form 7005) of 3 months could be granted under certain conditions.

Requesting the extension of time to file the return did not postpone the payment of tax. When an extension was requested on Form 7004, at least half of the unpaid balance of the tax liability tentatively determined (taking into account any credits against tax, as well as any estimated tax payments) was due. If the option of paying the tentatively determined tax liability on an installment basis (with the balance due on or before 3 months after the regular filing date) was not used, the entire amount was due with the application. If a second extension of time to file was applied for, the balance of any unpaid tax liability was due at the time of the application.

The statistics may be slightly understated because of taxpayer reporting variations and because of the inability to identify the total amount from the tax returns.

#### Pension, Profit-Sharing, Stock Bonus, and Annuity Plans

Contributions made by employers to these plans were deductible under Code section 404. The Code imposed limitations on the amounts deductible for the taxable year and provided a carryover feature for certain amounts paid in excess of these limitations. Deductions were also allowed for employer contributions made to benefit plans established for certain U.S. citizens employed for foreign subsidiaries and branches of domestic corporations. The statistics for this item include such amounts identified in the cost of sales and operations schedules.

The Employee Retirement Income Security Act of 1974 (ERISA), revised the requirements relating to the participating, vesting, and funding of private pension and employee benefit plans and to the deductibility of employer contributions to these plans. New rules under ERISA were effective at varying times, but generally applied to plan years beginning after September 2, 1974. Under ERISA, employee benefit plans generally had to meet certain compulsory standards before the related trusts set up by the employer to administer them could be exempted from income taxation and before employers could deduct their contributions to these trusts.

There were limitations on the deductions claimed by employers for certain of their contributions to qualified pension plans. For example, regular corpo-

rate plans based on a combination of the earnings of the individual employee and the aggregate compensation paid by the employer were subject to limitations. Limitations were also prescribed for deductible contributions to defined contribution plans (i.e., plans which provided for an individual account for each participant employee and for benefits based solely on the amount contributed to the participant's account, and any income and expenses, gains and losses, and forfeitures of accounts of other participants which could be allocated to such participant's account).

Contributions deductible for a given year were limited. However, limitations were not the same for employer contributions to defined pension plans as they were for profit-sharing plans or stock bonus trusts. For defined pension plans, the limitation was an amount equal to the greater of the minimum funding requirements or a maximum annual deduction.

The maximum annual deduction, which formerly included normal costs plus 10 percent of past service costs, was changed to include normal costs plus amounts needed to amortize past service costs in 10 equal annual payments (including interest and principal). The maximum annual deduction limitation applied unless it was less than the amount needed to meet the minimum funding requirements. If this was the case, the amount needed to satisfy the minimum funding requirements took precedence and was deducted in full, so that, in effect, this amount became the maximum annual deduction.

For profit-sharing plans or stock bonus trusts, the amount deducted in a given year could not exceed 15 percent of the aggregate compensation paid by the employer in that year. For combination profit-sharing and pension plans, the limitation was 25 percent of the aggregate compensation paid by the employer in the given year.

Employer contributions in excess of the limitations were carried over to future years, in order of time, until they were fully deducted. The amount carried over, when combined with the current year's allowable amount, could not exceed either the maximum annual deduction, minimum funding requirements, or 25 percent of the aggregate compensation paid by the employer. The total amount (i.e., the current deduction plus the carryover amount) deductible in a carryover year could not exceed 25 percent in the case of a combination profit-sharing and pension plan. For profit-sharing plans alone, the limit was also 25 percent for carryover years.

Excluded were deductions claimed for employer contributions to pension plans and certain other deferred compensation plans within the scope of Code section 404.

#### Personal Holding Company Tax

In addition to being subject to regular income tax and additional tax for tax preferences, corporations classified as Personal Holding Companies were subject to another tax equal to 70 percent of their "undistributed Personal Holding Company income."

Briefly, the term Personal Holding Company was applied to certain closely-held corporations whose income was from passive sources (generally investments and personal service contracts) rather than from the actual active conduct of a trade or business. The 70 percent tax was imposed on the taxable income (especially defined) from passive sources reduced by amounts distributed to owners.

Since most Personal Holding Companies distributed all of their Personal Holding Company income, only a small number were actually subject to the tax. In addition, the tax is slightly understated because the Personal Holding Company tax was not always reported separately from the regular income tax.



The tax appears in the statistics for industries other than "Holding and other investment companies." This is because a Personal Holding company could be a subsidiary included in a consolidated return classified in some other industry.

#### Provision for Federal Income Tax

In general, this was the net amount of Federal income tax accrued, or the provision for such tax, for the taxable year as reported in corporations' books of account and in tax return schedules reconciling book and tax profits (see Schedule M-1, "Reconciliation of income per books with income per return," on the Form 1120 return facsimile in section 6 of this report), or in the case of most insurance companies, from the annual statements filed with the returns.

When corporations identified the amount of Federal income tax which was current and the amount which was deferred, only the amount reported as current was used for the statistics. Deferred Federal income tax as shown on the books of account represented the tax consequence resulting from differences between book and tax accounting in the recognition of various items of income and expenses. (See "Book Net Income (or Deficit).")

Corporations occasionally reported foreign and State taxes together with Federal taxes and the components were not separately identified. The resulting effect on the statistics was to overstate the provision for Federal income tax. This had no effect, of course, on the after-tax profit amount shown in the statistics as "Book Net Income (or Deficit)."

#### Refunds of Estimated Tax Payments (#)

A corporation which had determined that it had overpaid its estimated tax could have filed for a quick refund or adjustment of the overpayment even before it had filed its return. To have done so, the estimated tax overpayment had to be at least \$500 and be at least 10 percent of the expected "final" income tax liability reported on the tax return.

The application for refund had to be made within 2-1/2 months after the close of the taxable year and before the corporation had filed its income tax return. If the refund (or credit against another tax owed, in lieu of a refund) was subsequently determined to be excessive, the tax on the excess included an amount determined at a rate of 90 percent of the adjusted prime rate (as determined under section 6621) per year of the excess.

#### Rent Paid on Business Property

This deduction consisted of rents paid for the use of land or structures, and rents paid for leased roads, rolling stock, and work equipment for railroad companies. Identifiable amounts of taxes paid and other expenses of lessees in connection with rent paid were included in their respective deduction headings.

#### Rents

These were the gross amounts received for the use or occupancy of property. Expenses related to rental property, such as depreciation, repairs, interest paid, and taxes paid, were not deducted directly from the rental income, but were reported as business deductions from total receipts. The rental income of manufacturing, public utility, and service corporations, which frequently leased rather than sold their products, was included in the "Business Receipts" rather than in rents.

#### Repairs

Repairs reported as an ordinary and necessary business expense were the costs of maintenance and incidental repairs and could include the cost of labor, supplies and other items which did not add to the value or appreciably prolong the life of the property. Expenditures for new buildings, machinery or equipment, or for permanent improvements which increased the cost or basis of the property were not deductible currently and were charged to capital expenditures, which were generally depreciable.

For taxpayers using the Class Life Asset Depreciation Range (CLADR) system (see Statistics of Income--1976, Corporation Income Tax Returns), a relatively few elected an alternative method of computing the deduction for repairs. This method was available when ambiguity existed as to whether expenditures for repairs, maintenance, rehabilitation, or improvement of depreciable property could be deducted in the year paid or incurred, or had to be capitalized and depreciated over the useful life of the property.

Under the rules prescribed, all qualifying expenditures within a given asset guideline class were treated as currently deductible repairs provided they did not exceed the "repair allowance." The repair allowance for an asset guideline class was based on the percentage prescribed for that class applied to the "average" cost or unadjusted basis of "repair allowance property" in that class. Amounts in excess of the percentage had to be capitalized and recovered as depreciation.

#### Retained Earnings, Appropriated

Earnings set aside for specific purposes and not available for distribution to stockholders were included under this heading. Included were guaranty funds and reserves for plant expansion, bond retirements, and contingencies for extraordinary losses. Specifically excluded were the reserves for bad debts, for depreciation, for depletion, and for amortization, which were shown separately; and, the reserves for taxes, and unrealized profits or unearned income, which were includable in "Other Liabilities."

#### Retained Earnings, Unappropriated

Retained earnings, unappropriated, consisted of the retained earnings and profits of the corporation less any reserves (shown in the statistics as "Retained Earnings, Appropriated"). The statistics shown are net figures after deduction of any negative amounts.

For Domestic International Sales Corporations (DISC's), this item included previously taxed income, accumulated DISC income, and other earnings and profits.

Similarly, for Small Business Corporations electing to be taxed through their stockholders, this item included earnings from before the corporation's election as well as earnings since the election, to the extent that they had not yet been distributed to the stockholders. (See "Stockholders' Undistributed Taxable Income Previously Taxed.")

#### Returns of Active Corporations

These returns were the basis for all financial statistics presented in the report. They comprised the vast majority of the returns filed, and were defined for the statistics as returns of corporations reporting any income or deduction items.

Returns of Inactive Corporations

Corporations in existence during any portion of the taxable year were required to file a return even though they may have been inactive. Inactive corporations are defined for this report as returns showing no item of income or deduction. Financial data from these returns were excluded from the statistics.

Returns With Net Income

Returns with net income were those showing gross taxable receipts exceeding the ordinary and necessary business deductions allowed by the Code. (See "Net Income (or Deficit).")

Returns Without Net Income

Returns without net income were those for which ordinary and necessary business deductions allowed by the Code exceeded gross taxable receipts. In addition to deficit returns, this classification also included returns where gross taxable receipts and business deductions were equal. (See "Net Income (or Deficit).")

Royalties

Royalties were payments received, generally on an agreed percentage basis, for the use of property rights. Included were amounts received from such properties as copyrights, patents, and trademarks; and from natural resources such as timber, mineral mines, and oil wells. The amount reported was the gross amount received. Expenses relating to royalties, depletion or taxes, for example, were not deducted directly from this income, but were reported among the various business deductions from total gross income.

Excluded from the statistics were certain royalties received under a lease agreement on timber, coal deposits, and domestic iron ore deposits, which were allowed special tax treatment. Under elective provisions of Code section 631, the net gain or loss on such royalties was included in the computation of net gain or loss on sales or exchanges of certain business property under section 1231. If the overall result of this computation was a net gain, it was eligible for treatment as a long-term capital gain, taxable at the capital gains rates. If the overall result was a net loss, it was fully deductible in the current year as an ordinary noncapital loss. See the discussions of "Net Capital Gains" and "Net Gain (or Loss), Non-capital Assets."

Size of Business Receipts

Size of business receipts was based on the gross amounts from sales and operations for industries except those in the finance, insurance, and real estate divisions. For these industries, total receipts, which is the sum of business receipts and investment income, were used as the basis for classification. See the discussions of "Business Receipts" and "Total Receipts."

Size of Income Tax After Credits (#)

Income tax after credits was the net amount of income tax liability after deducting the foreign tax, investment, possessions, jobs and work incentive (WIN) credits. It included the normal tax, surtax, and alternative tax. As such, it excluded the tax from recomputing prior-year investment credit, tax from recomputing prior-year WIN credit, and additional tax for tax preferences.

Size of Total Assets

Size of total assets was based on the amount reported in the end-of-year balance sheet. Returns with zero assets were used as a classification for returns of: (1) liquidating or dissolving corporations which had disposed of all their assets and whose income tax returns were final returns; (2) merging corporations whose assets and liabilities were included in the returns of the acquiring corporations; (3) corporations filing a part-year tax return because of a change in accounting period; and (4) foreign corporations with income effectively connected with the conduct of a trade or business within the United States (except foreign insurance companies providing balance sheet information for U.S. branches). See also "Total Assets and Total Liabilities."

Small Business Corporation Returns (#)

Form 1120S, U.S. Small Business Corporation Income Tax Return, was filed by corporations electing to be taxed through stockholders under section 1372 of the Code.

To qualify as a Small Business Corporation, a firm had to be a domestic corporation, with no more than ten stockholders, each of which was an individual (or an estate) and no one of which was a nonresident alien. For taxable years beginning after December 31, 1976, a Small Business Corporation which had been an electing Small Business Corporation for 5 consecutive taxable years could have as many as fifteen stockholders (see "Number of Stockholders"). The Revenue Act of 1978 permitted the number of stockholders to be 15 even if the five-year rule was not met. This provision was effective for taxable years beginning after December 31, 1978. This 1978 Act also provided that a husband and a wife were to be treated as one stockholder for purposes of determining the number of stockholders in a corporation to determine eligibility to qualify as a Small Business Corporation. The corporation could have only one class of stock and could not be a member of an affiliated group eligible to file a consolidated return. Moreover, the corporation could not receive more than 80 percent of its gross receipts from sources outside the United States nor more than 20 percent from passive investments (interest, rents, royalties, annuities, and gains from the sale or exchange of stock and securities). The 20 percent passive-income limitation did not apply during the first 2 years of business unless such income, for the year in question, was \$3,000 or more.

Net income of Small Business Corporations was computed in the same manner as for most corporations. The net operating loss deduction and other statutory special deductions allowed most corporations, such as for dividends received, could not be taken.

An electing Small Business Corporation was generally not taxed. However, an existing corporation that elected (under Code section 1372) to become a Small Business Corporation was subject to a special tax for the first 3 taxable years of the election. On the other hand, a new corporation which was an electing Small Business Corporation for each year of its existence was not subject to the special tax at all. Section 1378 of the Code provided that the amount of the tax was the lower of the following: (1) 30 percent of the excess of net long-term capital gain (reduced by net short-term capital loss) over \$25,000 when net long-term capital gain was more than 50 percent of a net income that was over \$25,000; (2) 30 percent of the gain from the disposition of property



using a "substituted basis" (i.e., the basis that was transferred from another corporation which was not also an electing Small Business Corporation); or (3) the normal tax and surtax rates applied to net income. Foreign tax credit, investment credit, U.S. possessions tax credit, work incentive (WIN) credit and new jobs credit were not available to the corporation to reduce this tax (although the cost of investment credit property and WIN Program salaries and wages were allocated to stockholders for their use in computing the credits).

Generally, the income of the Small Business Corporation was taxable to its stockholders as ordinary income. Net long-term capital gains (reduced by any tax paid on them by the corporation) were not taxable as ordinary income, but instead retained their character in the hands of the stockholders. Also, stockholders were allowed to deduct their share of the corporation's deficit from other forms of individual (or fiduciary) income as part of their net operating loss deduction. Undistributed income earned in previous years was taxable to stockholders in the year it was earned, and could be distributed during the current year without any further tax.

#### Statutory Special Deductions (#)

Statutory special deductions is the term used for the statistics to describe the deductions for: (1) net operating losses of prior years, and (2) total "special deductions" as defined by the Code, i.e., the sum of deductions for intercorporate dividends received, for dividends paid on certain preferred stock of public utilities, and for Western Hemisphere Trade Corporations. Since these deductions were allowed by law, in addition to ordinary and necessary business deductions, they are shown as deductions from net income.

In general, net income less statutory special deductions equalled income subject to tax. However, the two dividend deductions were not restricted to returns with net income, nor, in general, to the amount of net income and thus became part of the statutory "net operating loss" for some corporations. Statutory special deductions were not allowed to Small Business Corporations for which an election was made to be taxed through stockholders, nor to regulated investment companies and real estate investment trusts.

Although Domestic International Sales Corporations (DISC's) were not taxable, in order to compute "tax deferred income and income taxable to stockholders," two of the statutory special deductions, i.e., net operating loss deduction and intercorporate dividends received deduction, discussed below, were allowed.

Definitions for the statutory special deductions contained in the statistics are as follows:

(1) Net operating loss deduction.—The total net operating loss deduction was based on statutory net operating losses of prior or subsequent years which could be used to reduce taxable income for a specified number of years. The amount shown in this report, however, consists only of losses from prior years actually used to reduce taxable income for the current year. Losses incurred after the current year and carried back to that year at a later date could not be reported on the returns used for this report. In general, losses were carried back over a 3-year period, chronologically, and any amount not offset against income during that time could then be carried forward against income for a period not exceeding 5 years. Longer carryover periods were allowed for certain foreign expropriation losses, and for corporations applying for tax assistance under the Trade Expansion Act of 1962, for regulated transportation corporations, and for new life insurance companies.

Net operating losses on which the current-year deduction was based included: (a) the excess of ordinary and necessary business expenses over income in the previous loss years, and (b) statutory special deductions claimed in the loss year for dividends received and for dividends paid on certain preferred stock of public utilities (or any excess of such deductions over net income).

The net operating loss deducted for the current year was limited to net income reduced, first, by the deductions for dividends received and, second, for dividends paid on certain preferred stock of public utilities.

Net operating losses incurred by Domestic International Sales Corporations (DISC's) were deductible from net income only if the DISC had been a corporation prior to its election to become a DISC and only for losses incurred prior to the election. The statistics are overstated to the extent small amounts of net operating loss deductions were reported by DISC's without net income; no attempt was made to suppress these amounts for the statistics.

For a "parent-subsidiary" controlled group that had elected separate surtax exemptions for each group member under prior law, but which had shifted to a single group exemption and filed a consolidated return under subsequent law, special provisions for the treatment of net operating losses of the individual group members applied. The net operating losses of such individual group members sustained in years during which the election of multiple surtax exemptions was in effect could be carried over and deducted from consolidated net income.

(2) Total special deductions.—The total special deductions contained in this report was the sum of the following deductions:

(a) Intercorporate dividends received deduction.—The intercorporate dividends received deduction, under Code sections 243-246, was the sum of the following components:

(1) A deduction equal to 85 percent of dividends received from domestic corporations which were themselves subject to the income tax. This particular deduction accounted for the major portion of the intercorporate dividends received deduction. Since DISC's were not subject to tax, the intercorporate dividends received deduction was not allowed for dividends received by their stockholders. However, if the dividends were paid out of earnings and profits from a year before the election was made to become a DISC, the stockholders were entitled to the deduction for such dividends.

(2) A deduction equal to 85 percent of certain dividends received from foreign corporations (a) which had been engaged in a trade or business within the United States for at least 3 years, and (b) which also had at least 50 percent of their gross income "effectively connected" with the U.S. trade or business.

(3) A deduction equal to 100 percent of certain intragroup dividends allowed members of controlled groups not electing to file consolidated returns, but sharing instead, a single surtax exemption under Code section 1561.

(4) A deduction equal to 100 percent of dividends received from wholly-owned foreign subsidiaries whose entire gross income was "effectively connected" with the conduct of a trade or business within the United States.

(5) A deduction equal to about 60.2 percent of dividends received on certain preferred stock of public utilities for which a dividends paid deduction, described below, was also allowed the distributing corporation. The applicable percentage was based on the income tax rate.

(6) A deduction equal to 100 percent of dividends received by small business investment companies. For tax returns with net income for the taxable year, there was a limitation on the deduction, based on net income, for dividends received not subject to the 100 percent deduction (Code section 246). For these returns the deduction could not exceed 85 percent of net income less any Western Hemisphere Trade Corporation deduction (described below) and less any 100 percent deduction for domestic intragroup dividends. This limitation was not applicable if the corporation had no net income for the year. In this case, the deduction became part of the statutory net operating loss previously described. In the case of life insurance companies, the above percentage deductions were further reduced by the ratio of investment yield less total exclusions (operations) to investment yield.

(b) Deduction for dividends paid on certain preferred stock of public utilities.—For public utility companies, as defined by law, a special deduction was allowable under Code section 247 for dividends if paid on certain preferred cumulative stock deemed issued prior to October 1, 1942. This deduction, based on the income tax rate, amounted to about 30.4 percent of the dividends paid on such stock.

If the dividends paid were greater than net income reduced (in general) by all other statutory special deductions for the year, the deduction could not exceed the above-described percentage of net income after this adjustment.

(c) Western Hemisphere Trade Corporation deduction.—This deduction was allowed certain domestic companies which qualified under section 921 of the Code. These companies conducted almost all of their business outside the United States, but within the Western Hemisphere. The deduction was equal to taxable income (computed without regard to the deduction, i.e., net income minus the statutory special deductions for net operating losses and for intercorporate dividends received and for dividends paid on certain public utility stock) multiplied by a fraction having a numerator of 14 percent and a denominator equal to the regular U.S. tax rate. The Tax Reform Act of 1976 provided for a phaseout of the 14 percent figure. For 1978, the numerator was 5 percent; for 1979, the numerator was 2 percent. The Act also repealed the Western Hemisphere Trade Corporation deduction for taxable years beginning after December 31, 1979.

#### Stockholders' Undistributed Taxable Income Previously Taxed

This end-of-year balance sheet item was the accumulated taxable income, i.e., net income (or deficit), earned by Small Business Corporations since they had first elected to be taxed through their stockholders, to the extent that it had not yet been distributed to the stockholders. Taxable income, whether distributed or not to the stockholders, was

taxable to the stockholders in the year earned so that later distributions from this account were nontaxable. (See "Small Business Corporation Returns.") This item is reflected in the statistics for "Retained Earnings, Unappropriated" and "Net Worth" in those tables which show these items.

#### Tax Deferred Income and Income Taxable to Stockholders

This amount represented the net income (less deficit) of a Domestic International Sales Corporation (DISC) minus statutory special deductions (described under a separate heading). This "taxable income" was used in determining the amount of the DISC's earnings and profits that were considered to be "amounts deemed distributed" to stockholders of the DISC. Generally, taxation on a portion of this amount could be deferred indefinitely and the remainder was taxable to stockholders in the year earned.

See also "Domestic International Sales Corporation Returns."

#### Tax Due at Time of Filing

Tax due was the amount of income tax liability reported as due at the time the return was filed. To show a tax due the return had to have income tax after foreign tax, investment, work incentive (WIN), possessions tax and jobs credits. For this purpose, the income tax included tax from recomputing prior-year investment credit, tax from recomputing prior-year work incentive (WIN) credit, additional tax for tax preferences, and tax on undistributed Personal Holding Company income. Tax due based on this total tax was the amount payable after taking into account (a) credit for taxes deemed paid by regulated investment companies on undistributed capital gain dividends; (b) payments with applications for extension of time in which to file; (c) payments on estimated tax; and (d) credit for taxes on special fuels, nonhighway gasoline, and lubricating oil.

The entire tax due could be paid with the return at the time of filing, or the corporation could elect to pay the tax due in two equal installments. One installment had to be paid at the prescribed time of filing. The balance was due on or before 3 months after that date.

The amounts shown do not reflect adjustments made after the return was filed. The results of tax audit, the carryback of net operating losses, the carryback of foreign taxes paid or accrued in future years, the carryback of unused investment credit, or the carryback of certain capital losses, may affect the final tax liability and the tax due.

#### Taxes Paid

Taxes paid included the amounts reported as an ordinary and necessary business deduction as well as identifiable amounts reported in the cost of goods sold and operations schedules. Included among the deductible taxes were ordinary State and local taxes paid or accrued during the year; social security and payroll taxes; unemployment insurance taxes; import and tariff duties; and business, license and privilege taxes. Income and profits taxes paid to foreign countries or U.S. possessions were also deductible unless claimed as a credit against income tax. However, Small Business Corporations electing to be taxed through their stockholders had to deduct from gross income any foreign taxes they paid. They could not claim a foreign tax credit, nor could they pass these taxes on to their stockholders for their use as a foreign tax credit. (See "Foreign Tax Credit.")



Taxes not deductible included Federal income and excess profits taxes, gift taxes and taxes assessed against local benefits.

Some corporations included sales taxes and excise and related taxes, which were part of the sales price of their products, as receipts. When this occurred, an equal and offsetting amount was usually included in the cost of sales and operations or as part of the separate deduction for taxes paid. When included in the cost of sales and operations, these taxes often were not identifiable and, therefore, could not be included in the statistics for taxes paid.

#### Tax from Recomputing Prior Year Investment Credit (#)

This tax, a recapture of investment credit, was required when depreciable (or amortizable) property used in computing the investment credit of a prior year was either disposed of or ceased to be qualifying property before the end of its useful life assumed at the time the credit was originally computed.

The tax was payable for the year in which the property was disposed of or became disqualified. It amounted to the difference between the credit originally claimed based on the intended life in the year of acquisition and the credit that would have been allowed based on the actual life in the year of disposition or disqualification. Useful life classes for investment credit purposes were shortened for property acquired after August 15, 1971. The revised useful life classes applied to investment credit property disposed of or disqualified after this date, even if the property was acquired (and the credit claimed) using the longer useful life classes specified under prior law.

Recapture of investment credit was required after August 15, 1971, when investment credit property was effectively disposed of prematurely by reason of casualty or theft. Recapture was also required when the following subsequent elections caused property for which credit had been claimed earlier to cease to be qualifying property: (1) 5-year accelerated depreciation elected for expenditures to rehabilitate low-income rental housing, and (2) 5-year rapid amortization elected for certain expenditures for child care facilities and certain railroad rolling stock.

Transferor railroad companies were exempted from additional tax on the transfer of their rail properties to the Consolidated Rail Corporation (ConRail), i.e., such railroad companies were not liable for tax from recomputing prior-year investment credit.

Unless otherwise indicated, tax from recomputing prior-year investment credit is included in the statistics for "Income Tax" in this report.

See also "Investment Credit."

#### Tax from Recomputing Prior Year Work Incentive (WIN) Credit (#)

A "recapture" of the work incentive (WIN) program credit was required whenever an employer that had claimed the credit in a prior year (1) terminated without cause the employment of an employee hired under the WIN program, or (2) failed to pay a WIN employee wages comparable with non-WIN employees for the same services. Generally, if the WIN employee's employment did not last at least 24 months, the WIN credit had to be paid back, even though a WIN credit could be taken for only the first 12 months of employment.

The Tax Reduction Act of 1975 included a temporary credit for Aid to Families with Dependent Children (AFDC) program recipients hired under the Social Security Act provisions. (The original WIN credit provisions applied only to AFDC program recipients

hired under the WIN program.) The temporary credit, which was first slated to expire July 1, 1976, was extended by the Tax Reform Act of 1976 until January 1, 1980. The Tax Reform Act of 1976 liberalized the recapture provisions for termination of employees hired under the WIN program. See "Work Incentive (WIN) Credit."

The Revenue Act of 1978 repealed the recapture rules for WIN program expenses paid or incurred after December 31, 1978. See the discussion under Changes in Law in section 2.

Unless otherwise indicated, tax from recomputing prior year work incentive (WIN) credit is included in the statistics for "Income tax" in this report.

#### Tax Net Income (or Deficit) (#)

In order to facilitate comparison between after-tax book and tax profits in table 1.16, an effort was made to adjust the net income computed under the Internal Revenue Code (and described under a separate heading) in order to recognize taxes in a consistent manner under the two profit concepts, insofar as possible.

Corporations were asked to report book net income as after income tax. Because the net income under the Code was reported before taxes, net income (less deficit) after tax, net, was the term used for the statistics to describe the net income after it was reduced by the income tax. For this purpose, the taxes subtracted from net income were defined to include the sum of the regular income tax, the additional tax for tax preferences, and the taxes from recomputing prior-year investment and work incentive (WIN) credits, reduced by the current year's investment, WIN and jobs credits, but not by the foreign tax credit nor U.S. possessions tax credit.

Thus, an "economic" or "accounting" approach was used to compute tax net income in regard to the treatment of foreign income and taxes to the extent that foreign income was included in the income statistics. The U.S. possessions tax credit was also excluded for this purpose.

It was felt that the corresponding income tax, whether domestic or foreign, should be uniformly reflected to the extent possible in the taxes used in this computation. By disregarding the foreign tax credit, foreign income taxes in effect were recognized as a deduction in arriving at tax net income, just as they were in arriving at book net income. To have done otherwise, by treating these taxes as a credit against U.S. tax, would have meant disregarding the effect of foreign income taxes on tax net income altogether. This was because corporations with a foreign tax credit could be thought of as having satisfied their U.S. income tax liabilities by paying taxes (to the extent of the credit) to foreign governments instead of the U.S. Government. The foreign tax credit was, after all, merely a device to prevent double taxation of foreign income.

This approach to foreign taxes for the statistics has drawbacks. The foreign tax credit, because of the limitations required in its computation, was not synonymous with total foreign income taxes. Because of the carryover provisions, some of the taxes credited for the current year were actually paid in other years while other amounts, paid on the current year income, had to be carried to other years for crediting. In addition, most foreign dividends had to be "grossed up" by the foreign taxes deemed paid on this income (see "Constructive Taxable Income from Related Foreign Corporations"). To the extent that such taxes were included as income, tax net income, conceptually, is overstated in comparison to book net income.

The user of the statistics can derive another estimate of tax net income (or deficit) by taking into account only the income tax payable to the United States. Under this approach, the before-tax net income (or deficit) shown in the statistics should be reduced by income tax after the investment, WIN and new jobs credits, and after the foreign tax credit as well.

Aside from conceptual problems associated with the treatment of foreign income and taxes, it should be noted that Domestic International Sales Corporations (DISC's) and, for the most part, Small Business Corporations electing to be taxed through stockholders, were not subject to the corporation income tax. Therefore, "Tax Net Income (or Deficit)" (the after-tax concept) for these companies is the same as "Net Income (or Deficit)" (the before-tax concept).

See also "Book Net Income (or Deficit)" for some of the other reasons for differences between book and tax profits.

#### Tax Overpayment (#)

This was the amount reported as the excess of payments and credits for the tax already paid over total income tax liability at the time the return was filed. For this purpose, the income tax liability included tax from recomputing prior-year investment credit, tax from recomputing prior-year work incentive (WIN) credit, additional tax for tax preferences, and tax on undistributed Personal Holding Company income and was after reduction by the foreign tax, investment, work incentive (WIN) and jobs credits. Overpayment then, was the excess of payments and credits over total tax liability after taking into account (a) credit for taxes deemed paid by regulated investment companies on undistributed capital gain dividends; (b) payments with applications for extension of time in which to file; (c) payments on estimated tax; and (d) credit for taxes on special fuels, nonhighway gasoline, and lubricating oil.

The overpayment could be credited toward the following year's estimated tax, refunded, or partially refunded and partially credited.

The amounts shown do not reflect adjustments made after the return was filed. The results of audit, the carryback of net operating losses incurred in future years, the carryback of certain foreign taxes paid or accrued in future years used to increase the current year foreign tax credit, the carryback of unused investment credit or unused WIN credit, or the carryback of certain capital losses, may affect the final tax liability and the tax overpayment.

Since Domestic International Sales Corporations (DISC's) had no tax, tax overpayment reported on Form 1120-DISC consisted solely of the refund of U.S. excise tax on special fuels, nonhighway gasoline, and lubricating oil.

#### Tax Preference Items (#)

These items constituted the basis (after adjustments described under "Additional Tax for Tax Preferences") upon which the 15 percent additional tax for tax preferences (or "minimum tax") was levied. They comprised various kinds of tax-favored income and deductions, which, in effect, provided corporations with nontaxable "economic" income.

In general, the tax preference items were attributable to U.S. sources. However, the capital gain preference (described below) included amounts from foreign sources if they were not subject to foreign taxation, or if the foreign tax was a preferential one. Other items attributable to foreign sources were treated as preferences only to the extent they reduced U.S. taxable income.

For Small Business Corporations electing to be taxed through their stockholders, all of the tax preference items described below were reported, but only the capital gain preference and the intangible drilling cost preference were taxable to the corporations themselves. The other items were taxable only to the stockholders of such corporations.

The items of tax preference were:

(1) Accelerated depreciation (depreciation in excess of the amount computed under the straight-line method) allowed on: (a) low-income rental housing; (b) other real property (defined in Code section 1250); and (c) personal property (defined by section 1245) subject to a lease. The tax preference in connection with personal property subject to a lease did not apply to corporations other than Personal Holding Companies and Small Business Corporations electing to be taxed through their stockholders.

(2) Amortization of (a) certified pollution control facilities, (b) railroad rolling stock, (c) on-the-job training facilities, and (d) child care facilities. The tax preference was the excess of these special rapid write-offs over what otherwise would have been a depreciation deduction under section 167.

(3) Reserves for losses on bad debts of financial institutions. Financial institutions (mostly banks and savings and loan associations) were allowed deductions for additions to a reserve for bad debts under prescribed rules. When these deductions exceeded amounts based on the actual bad debt loss experience of the institution (or in the case of a new company, industry experience), the excess was considered a tax preference. (The appearance of this preference for other than finance division corporations was caused chiefly by the filing of consolidated returns that included finance subsidiaries.)

(4) Depletion. The excess of the depletion deduction over the cost or other basis of the property (reduced by depletion taken in prior years) was a tax preference.

(5) Capital gains. This tax preference was based on the excess of net long-term capital gain over the net short-term capital loss, when these net gains were taxed at the special lower capital gain rate. The amount treated as a preference was this amount multiplied by a ratio of the regular tax rate less the rate applicable to capital gains (generally 28 percent) to the regular corporate tax rate.

(6) Intangible drilling costs. This was the excess of deductible intangible drilling and development costs incurred in connection with oil and gas wells (other than costs incurred in drilling a nonproductive well) over the amount that would have been deductible if such costs had been capitalized and depreciated under the straight line method.

Items (5) and (6) above were the only tax preferences for which Small Business Corporations electing to be taxed through their stockholders (Form 1120S) would be liable (see the discussion under "Small Business Corporation Returns" in this section). Tax preferences for these corporations were ordinarily passed on to the stockholders for taxation. Regulated investment companies and real estate investment trusts also included capital gains as a tax preference but only to the extent that such gains were not passed on to their stockholders.

#### Tentative Investment Credit

See "Investment Credit."



Total Assets and Total Liabilities

Total assets and total liabilities were those reported in the end-of-year balance sheet in the corporations' books of account. Total assets were net amounts after reduction by accumulated depreciation, accumulated amortization, accumulated depletion, and the reserve for bad debts. When reserves for bad debts were reported as liabilities, they were treated as reductions from the asset accounts to which they related and the totals of assets and liabilities were adjusted accordingly. When used in this report, the term total liabilities includes both the claims of creditors and stockholders' equity (see "Net Worth"). In addition, total liabilities were net amounts after reduction by the cost of Treasury stock. Moreover, when Treasury stock intended for resale was identified in "Other investments" on the asset side of the balance sheet, it was moved to the liability side for the statistics, and the totals of assets and liabilities were also adjusted.

Asset and liability estimates for returns of corporations that failed to provide complete balance sheet information were imputed from data in other schedules on the return form or by using either reference books or relationships between income statement and balance sheet items on similar returns in the same industrial group.

Because Forms 1120L and 1120M used by life insurance companies and certain mutual insurance companies did not provide for the complete reporting of balance sheet information, asset and liability data for these companies were obtained from reference books or from balance sheets filed with the returns in the form required by State law. These sources were also used for any other insurance companies, not filing returns on Forms 1120L or 1120M, which filed balance sheets in the form required by State law in lieu of the income tax return schedule. (See also "Size of Total Assets.")

Total Deductions

As presented in the tables of this publication, total deductions comprised (1) the cost of sales and operations, (2) the ordinary and necessary business deductions from gross income, and (3) net loss from sales of noncapital assets. Components of total deductions are shown in the income statement segment of various tables throughout this report.

For certain mutual insurance companies, with total receipts under \$500,000, total deductions represents only investment expenses; business expenses were excluded by law.

Total Receipts

The components of total receipts are shown in the income statement segment of various tables throughout this report. This amount was derived as follows:

Included items--(1) Gross taxable receipts (before deduction of cost of sales and operations, ordinary and necessary business expenses, and net loss from sales of noncapital assets), and (2) Nontaxable interest received from State and local Government obligations.

Excluded items--(1) Other nontaxable income recognized by the corporation, and (2) Certain taxable income from related foreign corporations only constructively received.

For certain mutual insurance companies, with total receipts under \$500,000, the gross taxable receipts included in the statistics represent only the receipts from investments; operating income was excluded by law.

Total Receipts Less Total Deductions

This item differed from net income (less deficit) for tax purposes in that it included nontaxable "Interest on State and Local Government Obligations" and excluded "Constructive Taxable Income from Related Foreign Corporations." As such, it included all of the income "actually" (as opposed to "constructively") received by the corporation and reported on the income tax return.

Unused Investment Credit (#)

This was the portion of the tentative investment credit (plus the carryover of unused credit from prior years) which was in excess of the actual investment credit claimed for the current year. Subject to limitations, the unused credit could be carried back or carried over for use in other years as described under "Investment Credit."

The amounts shown in the statistics were computed on a return-by-return basis by taking the difference between the credit claimed and the sum of the tentative credit and the credit carryover.

U.S. Possessions Tax Credit

In order to provide a tax incentive for domestic corporations to invest in Puerto Rico and U.S. possessions (including American Samoa, Guam, Johnston Island, Midway Islands, the Panama Canal Zone, and Wake Island, but not the Virgin Islands), the Tax Reform Act of 1976 added, under Code section 936, a new tax credit -- the U.S. possessions tax credit. Under the new provisions in Code section 936, the U.S. possessions tax credit was equal to the U.S. tax on domestic corporations' income from sources within a possession in which the corporations actively conducted a trade or business. Formerly, under Code section 931, qualified possessions income was exempted from U.S. income tax.

The amount of the credit was equal to that portion of the U.S. tax of the domestic corporation attributable to taxable income from sources outside the United States from the active conduct of a trade or business within a U.S. possession and from qualified possession source investment income. In determining the amount of tax attributable to the income from the active conduct of a possession trade or business or from qualified possessions investment income, losses from other sources were taken into account.

Qualified possessions source investment income included only income from sources within a possession in which the possessions corporation actively conducted a trade or business (whether or not such business produced taxable income). The corporation had to establish that the funds invested were obtained from the active conduct of a trade or business within that same possession and were actually invested in assets in that possession. Funds placed with an intermediary (such as a bank located in the possession) were to be treated as invested in that possession only if it could be shown that the intermediary did not reinvest the funds outside the possession.

The U.S. possessions tax credit provisions called for possessions corporations to be taxed on worldwide income just like any other U.S. corporation; however, the possessions corporations could receive a full tax credit attributable to qualified possessions source income even if no tax was paid to the Governments of the possessions. Thus, the effect of the U.S. possessions tax credit provisions was: (a) to exempt qualified possessions source income from U.S. income tax, (b) to allow a dividends-received deduction for dividends repatriated by the possessions corporations to their U.S. parent corporations; and (c) to tax currently foreign source income (which was not taxable

under prior law), subject to the foreign tax credit with allowances for foreign taxes paid with respect to such income. Foreign source income continued to be exempt from U.S. taxes for investment income that was earned before October 31, 1976, whether or not the investment income was initially derived from the possessions' business.

Before the U.S. possessions tax credit could be claimed, a domestic corporation had to make an election and satisfy two tests: (1) receive for the "applicable" period immediately preceding the close of the taxable year at least 80 percent of its gross income from sources within a U.S. possession, and (2) receive for the "applicable" period at least 50 percent of its gross income from the active trade or business within a U.S. possession. "Applicable" period was the lesser of 3 years or the period during which the corporation was engaged in the active conduct of a trade or business within a U.S. possession. Once in effect, the election was to remain in force for 9 years after the first year for which the election was effective and for which the domestic corporation met the 80 percent source of income and 50 percent active trade or business income requirements. The election could be revoked during this 10-year period only with the consent of the Secretary of the Treasury, based on cases of substantial hardship where no tax avoidance could result from the revocation. After revocation during the 10-year period, a domestic corporation could make the election for the 10-year period again, provided the two conditions were met. After the 10-year period, no consent was needed to revoke the election.

Additionally, possessions corporations were prohibited by the election from filing or joining in the filing of consolidated returns, as they had been able to do under the prior law, in years in which they incurred losses. The new law permitted possessions corporations to be included in consolidated returns only in the case where their losses resulted from initial start-up expenses incurred at the time their possessions operations were just beginning. Even these losses would be subject to recapture if the possessions corporations derived foreign source income in later years.

The U.S. possessions tax credit could not be taken by corporations that were Domestic International Sales Corporations (DISC's), former DISC's, or owned stock in a DISC or former DISC. The credit could be taken however, by those stockholders who no longer held stock in the DISC's or former DISC's.

While the U.S. possessions tax credit could be taken against corporate income taxes, it could not be taken against:

- (1) additional tax for tax preferences (minimum tax);
- (2) tax on accumulated earnings;
- (3) taxes relating to recoveries of foreign expropriation losses, previously deducted as part of a net operating loss deduction; or
- (4) Personal Holding Company tax.

None of these taxes could be taken into account in the determination of the amount of U.S. tax paid by the corporation which was attributable to the possessions' active trade or business and investment income.

Since the U.S. possessions tax credit was separate from the foreign tax credit, the income (and associated taxes) used in the computation of the possessions tax credit could not be used for foreign tax credit purposes. Similarly, possessions income included in the foreign tax credit computation could not be used for possessions tax credit purposes.

The 1976 Act also provided a dividends-received deduction for dividends from corporations eligible for the U.S. possessions tax credit. Corporations which would otherwise qualify for the 100-percent dividends-received deduction, if an election were not in effect, could still receive that deduction for dividends from another possessions corporation. Likewise, corporations eligible for the 85-percent dividends-received deduction were to receive the deduction with respect to dividends from possessions corporations. The amount of the dividend income received from a possessions corporation was treated as domestic or foreign source income according to the existing Code section 861 rules. This same amount was also used to compute the Code section 904 limitation on the Code section 901 foreign tax credit. The new rules on the dividends-received deduction applied to dividends paid in taxable years of possessions corporations beginning after December 31, 1975, regardless of when the income, out of which the dividends were distributed, was earned.

#### Work Incentive (WIN) Credit (#)

This credit was intended to expand job opportunities for Aid to Families with Dependent Children (AFDC) program recipients. Taxpayers were allowed a credit against their income tax liability if they were engaged in a trade or business and hired AFDC recipients under the Work Incentive (WIN) program of the Social Security Act (as authorized by the Revenue Act of 1971) or if they hired AFDC recipients under the Social Security Act, regardless of whether or not they were covered by the WIN program (as authorized by the Tax Reduction Act of 1975). The Revenue Act of 1978 modified the WIN credit. See the discussion under Changes in Law in section 2.

#### Zero Assets

In general, returns in this total assets-size class were:

- (1) final returns of liquidating or dissolving corporations which had disposed of all assets;
- (2) final returns of merging corporations whose assets and liabilities were reported in the returns of the acquiring corporations;
- (3) part-year returns of corporations (except initial returns of newly incorporated businesses); and
- (4) returns of foreign corporations with income "effectively connected" with the conduct of a trade or business in the United States (however, balance sheet data for U.S. branches of foreign insurance companies are included in the statistics and are classified by the size of total assets of these branches).



## Part 1

### Forms and Instructions for 1978

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[illegible]

Form 1120 (1978) **Schedule J** Tax Computation

**Schedule J** Tax Computation

- [illegible]

Schedule K Record of Federal Tax Deposits Tax Class Number 503

Schedule K	Record of Federal Tax Deposits	Tax Class Number 503	Date of deposit	Amount
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[illegible]

- G** (1) Did you claim a deduction for expenses connected with:

  - (a) Entertainment facility (boat, resort, ranch, etc.)? 1976
  - (b) Living accommodations (except for employees on business)? 1976
  - (c) Employer's families at conventions or meetings? 1976
  - (d) If "Yes," were any of these conventions or meetings outside the United States or its possessions? 1976

**H** (1) Did you or family vacations not reported on Form W-2?

(2) Enter total amount claimed on Form 1120 for entertainment, entertainment facilities, gifts, travel, and conventions of the type for which substantiation is required under section 274(d). (See instruction V.) 1976

**I** (1) Did you at the end of the taxable year own, directly or indirectly, more than 1% of the total amount of outstanding common stock (for rules of attribution, see section 267(c))?

If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; (c) taxable income or (loss) (e.g., if a Form 1120, from Form 1120, line 28, page 1) of such corporation for the taxable year ending on the last day of the taxable year; (d) the number of shares you own of such corporation during the year; and (e) highest amount owed to you by such corporation during the year.

(2) Did any individual, partnership, corporation, estate or trust at the end of the taxable year own, directly or indirectly, 50% or more of the taxable year's stock? If "Yes," complete (a) through (e) of section 267(c) if "Yes," complete (f) through (g) if "No."

(3) Attach a schedule showing name, address, and identifying number; (b) Enter percentages owned 1976

(4) Was the owner of such voting stock a person other than a U.S. person? (See instruction S.) 1976

If "Yes," enter owner's country 1976

**J** (1) Did you claim a deduction for expenses connected with:

  - (a) Entertainment facility (boat, resort, ranch, etc.)? 1976
  - (b) Living accommodations (except for employees on business)? 1976
  - (c) Employer's families at conventions or meetings? 1976
  - (d) If "Yes," were any of these conventions or meetings outside the United States or its possessions? 1976

**K** (1) Did you or family vacations not reported on Form W-2?

(2) Enter total amount claimed on Form 1120 for entertainment, entertainment facilities, gifts, travel, and conventions of the type for which substantiation is required under section 274(d). (See instruction V.) 1976

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If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; (c) taxable income or (loss) (e.g., if a Form 1120, from Form 1120, line 28, page 1) of such corporation for the taxable year ending on the last day of the taxable year; (d) the number of shares you own of such corporation during the year; and (e) highest amount owed to you by such corporation during the year.

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(3) Attach a schedule showing name, address, and identifying number; (b) Enter percentages owned 1976

(4) Was the owner of such voting stock a person other than a U.S. person? (See instruction S.) 1976

If "Yes," enter owner's country 1976

**M** (1) Did you file all required Forms 1087, 1095 and 1099?

(2) Were you a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) If "Yes," attach Form 3046 for such corporation 1976

(3) Did you, at any time during the taxable year, have an interest in, or signature or other authority over a bank, securities or other financial account in a foreign country (see instruction V)? 1976

(4) Were you the grantor of, or transferor to, a foreign trust during any taxable year, which foreign trust was in being during the current taxable year, whether or not you have any beneficial interest in such trust? If "Yes," you may be required to file Forms 3520, 3520-A, or 926 1976

(5) During the taxable year, did you pay dividends (other than stock dividends and distributions in exchange for stock) in excess of your current and accumulated earnings and profits? (See sections 301 and 315.) 1976

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(3) Did you, at any time during the taxable year, have an interest in, or signature or other authority over a bank, securities or other financial account in a foreign country (see instruction V)? 1976

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(5) During the taxable year, did you pay dividends (other than stock dividends and distributions in exchange for stock) in excess of your current and accumulated earnings and profits? (See sections 301 and 315.) 1976

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(3) Did you, at any time during the taxable year, have an interest in, or signature or other authority over a bank, securities or other financial account in a foreign country (see instruction V)? 1976

(4) Were you the grantor of, or transferor to, a foreign trust during any taxable year, which foreign trust was in being during the current taxable year, whether or not you have any beneficial interest in such trust? If "Yes," you may be required to file Forms 3520, 3

## Schedule L Balance Sheets

Form 1120 (1978)

- 1 Cash
- 2 Trade notes and accounts receivable
- 3 **(a) Less allowance for bad debts**
- 4 Inventories
- 5 **Gov't obligations: (a) U.S. and instrumentalities**
- 6 **(b) State, subdivisions thereof, etc.**
- 7 Other current assets (attach schedule)
- 8 Loans to stockholders
- 9 Mortgage and real estate loans
- 10 Other investments (attach schedule)
- 11 Buildings and other fixed depreciable assets
- 12 **(a) Less accumulated depreciation**
- 13 Depreciable assets
- 14 **(b) Less accumulated depletion**
- 15 Land (net of any amortization)
- 16 Intangible assets (amortizable only)
- 17 **(a) Less accumulated amortization**
- 18 Other assets (attach schedule)
- 19 **Total assets**

**14 Total assets**

[illegible]

15 Accounts payable . . . . .

16 Mtges., notes, bonds payable in less than 1 yr. . . . .

17 Other current liabilities (attach schedule) . . . . .

**Schedule M-1** Reconciliation of Income Per Books With Income Per Return

**Schedule M-1**      **Reconciliation of Income Per Books With Income Per Return**

- |   |   |
|---|---|
| <p>1 Net income per books . . . . .</p> <p>2 Federal income tax . . . . .</p> <p>3 Excess of capital losses over capital gains . . . . .</p> <p>4 Income subject to tax not recorded on books this year (itemize) . . . . .</p> | <p>5 Expenses recorded on books this year not deducted in this return (itemize) . . . . .</p> <p>(a) Depreciation . . . . . \$ . . . . .</p> <p>(b) Depletion . . . . . \$ . . . . .</p>        |
| <p>7 Income recorded on books this year not included in this return (itemize) . . . . .</p> <p>(a) Tax-exempt interest \$ . . . . .</p>   | <p>8 Deductions in this tax return not charged against book income this year (itemize) . . . . .</p> <p>(a) Depreciation . . . . . \$ . . . . .</p> <p>(b) Depletion . . . . . \$ . . . . .</p> |
| <p>9 Total of lines 7 and 8 . . . . .</p>   | <p>9 Total of lines 7 and 8 . . . . .</p>   |

6	Total of lines 1 through 5	10	Income (line 28, page 1)—line 6 less 9
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**Schedule M-2 Analysis of Unappropriated Retained Earnings Per Books (line 24 above)**

6	Total of lines 1 through 5	10	Income (line 28, page 1)—line 6 less 9
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**Schedule U-2 Analysis of Unappropriated Retained Earnings Per Books (line 24 above)**

- | Balance sheet |                              |
|---------------|------------------------------|
| 1             | Balance at beginning of year |
| 2             | Net income per books         |
| 3             | Other increases (decrease)   |
| 4             | Net income per tax return    |
| 5             | Distributions: (a) Cash      |
|               | (b) Stock                    |
| 6             | Other decreases (increase)   |
| 7             | Total of lines 5 and 6       |







See regulations section 1.274-5 for definitions and rules governing the types of expenses for which substantiation is required and therefore reportable in item G(2).

### Specific Instructions

(Numbered to correspond with the line items on page 1 of the return.)

#### Gross Income

**1. Gross receipts.—Enter gross receipts or sales from all business operations except those required to be reported in lines 4 through 10. For reporting advance payments and long-term contracts, see section 1.451-5 of the regulations.**

If the installment method is used, enter on line 1 the gross profit on collections from installment sales and carry the same amount to line 3. Attach a schedule showing for the current and 3 preceding years: (a) gross sales; (b) cost of goods sold; (c) gross profits; (d) percentage of gross profits to gross sales; (e) amount deducted; and (f) gross profit on amount collected.

**2. Cost of goods sold.—See instructions for Schedule A.**

**4. Dividends.—(Numbered to correspond with line numbers in Schedule C.)**

**[1.] Enter dividends received from domestic corporations subject to income tax and which are subject to the 85% deduction under section 243(a)(1). Include on this line taxable distributions from a DISC or former DISC that are designated as being eligible for the 85% deduction.**

Small business investment companies must enter dividends received from domestic corporations subject to income tax even though a deduction is allowed for the entire amount of such dividends in line 1 of Schedule I. For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction.

So-called dividends or earnings received from mutual savings banks, etc., are really interest and should not be treated as dividends.

**[2.] Enter dividends received on preferred stock of a public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.**

**[3.] Enter dividends received from foreign corporations and which qualify for the 85% deduction provided in section 245(a).**

should check the No box if the combined assets in the account(s) were \$1,000 or less during the entire year, or were with a U.S. military banking facility operated by a U.S. military institution.

If you own more than 50 percent of the stock in any corporation that owns one or more foreign bank accounts, you must check the Yes box for question O.

Get Form 90-22.1 to see if you are considered to have an interest in, signature or other authority over a bank, security, or other financial account in a foreign country.

**If you checked Yes for question O, file Form 90-22.1. You can get this form from many IRS offices. File the completed form by June 30, 1979, with the Department of the Treasury, P.O. Box 28309, Central Station, Washington, DC 20005. Do not file it with the IRS; it is not a tax return.**

If you were a grantor of, or transferor to, a foreign trust, which trust was in being during the tax year, check the Yes box for question P.

**W. Employer identification number.—If the employer identification number (EIN) is wrong on the label or if a label was not received, show the correct number on the return.**

Corporations that do not have an EIN should apply for one on Form SS-4, available from any IRS or Social Security Administration office. Send Form SS-4 to the same Internal Revenue Service Center to which Form 1120 is sent.

**X. Total assets.—If there are no assets at the end of the taxable year, show the total assets as of the beginning of the taxable year.**

**Y. Travel and entertainment expenses (section 274(d)).—(See Form 1120, section G(2), page 3.) The amount required to be entered is the total amount expended during the year for entertainment, entertainment facilities, gifts, travel, and conventions for which substantiation would be required under section 274(d).**

Expenditures paid or incurred in years prior to taxable years beginning in 1978 but not deducted in those years are not required to be included in the total (i.e., expenditures reflected in beginning inventories, capitalized expenditures subject to depreciation, etc.). However, expenditures paid or incurred in tax years beginning in 1978 that are included in the cost of inventory, merchandise purchased for resale, or capitalized in asset accounts, etc., should be reported in the total as if they were fully deducted in the year they were incurred.

**Z. Foreign Financial Accounts and Foreign Trusts.—If at any time during the year, you had an interest in, or signature or other authority over, a bank account, security, or other financial account, or trust in a foreign country, check the Yes box for question O. However, you**

**W-2.**

**S. U.S. person.—(See question H (2)(c), page 3, Form 1120.)—The term "U.S. person" means: (1) a citizen or resident of the United States; (2) a domestic partnership; (3) a domestic corporation; or (4) any estate or trust (other than a foreign estate or trust) within the meaning of section 7701(a)(31).**

Owner's country, for individuals, is their country of residence. For all others, it is the country where incorporated, organized, created, or administered.

**T. Penalties.—**

Avoid penalties and interest by correctly filing and paying the tax when due. 1. A corporation that fails to file its tax return by the prescribed due date (including any extensions of time for filing) may be subject to a penalty of 5% a month, up to a maximum of 25%, for each month the return is not filed (the penalty is imposed on the net amount due—section 6651(a)(1)).

2. A corporation that fails to pay the tax when due may be subject to a penalty of 1/2% a month or fraction of a month, up to a maximum of 25%, for each month the tax is not paid (the penalty is imposed on the net amount due—section 6651(a)(2)).

The above penalties will not be imposed if the corporation can show that the failure to file or to pay was due to reasonable cause and not to willful neglect.

These penalties are in addition to the interest charge imposed on unpaid tax at a rate pursuant to section 6621.

3. A corporation that fails to pay the proper estimated tax when due may be subject to an underpayment penalty for the period of underpayment (section 6655) at a rate pursuant to section 6621.

If estimated tax was underpaid, attach Form 2220 to show how you figured the penalty or which exceptions you believe you meet.

If you attach Form 2220, be sure you check the box below line 33. If you owe a penalty, show the amount in the space below line 33.

If you owe tax on line 33, include the penalty amount in with your total. Or, if you are due a refund, subtract the penalty amount from the overpayment on line 34.

**U. Real estate investment trusts.—Real Estate Investment Trusts see sections 856-860 for special rules. Attach schedules where applicable.**

**V. Foreign Financial Accounts and Foreign Trusts.—If at any time during the year, you had an interest in, or signature or other authority over, a bank account, security, or other financial account, or trust in a foreign country, check the Yes box for question O. However, you**

**7. Gross rents.—Enter the gross amount received for the rent of property. Deduct expenses such as repairs, interest, taxes, and depreciation in the proper lines for deductions.**

**9(a). Capital gain net income.—Every sale or exchange of a capital asset must be reported in detail in Schedule D even though the gain or loss is indicated. If the net long-term capital gain exceeds the net short-term capital loss, in case of only one net capital gain, compute the alternative tax on a separate Schedule D to see if it produces a lesser tax.**

**9(b). Gain or (loss).—Enter the net gain or loss from Form 4797, line 11, Part II.**

**10. Other income.—Enter any other taxable income not listed above and explain its nature on an attached schedule. Examples of other income include: royalties of bad debts deducted in prior years under the specific charge-off method and refunds of taxes deducted in prior years. Do not offset current year's taxes with tax refunds.**

If "other income" consists of only one item, identify it by showing the account caption in parentheses on line 10.

### Deductions

**12. Compensation of officers.—Complete Schedule E columns 1 through 6 for all officers. Complete Schedule E column 7 for your six highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance means:**

(1) amounts, other than compensation, received as advances or reimbursements and (2) amounts paid by or for the corporation for expenses incurred by or on behalf of an officer. Column 7 does not have to be completed for any officer for whom the combined amount is less than \$30,000.

This information is to be submitted by each member of an affiliated group in a consolidated return.

**13. Salaries and wages.—Enter on line 13 the amount of total salaries and wages (other than dividends and wages deducted elsewhere on the return) paid or incurred for the taxable year.**

Enter on line 13b the amount of new jobs credit from Form 5884, line 13. See instruction G of the Instructions for Form 5884 for additional information.

**14. Repairs.—Enter the cost of incidental repairs, such as labor and supplies, that do not add to the value or appreciably prolong the life of the property. Include in this line the total amount of repairs figured under the Class Life Asset Depreciation Range (CLAAR) system.**

Expenditures to remove architectural and transportation barriers to handicapped and elderly.—For new rules for expenses in taxable years beginning after December 31, 1976 and before January 1, 1980 to remove architectural and transportation barriers to handicapped and elderly persons, see section 190 and Temporary Internal Revenue Regulations section 7.190.

**15. Bad debts.—Bad debts may be treated in two ways:—(1) as a deduction for debts that become worthless in whole or in part, or (2) as a deduction for a reasonably identifiable reserve for bad debts. (Section 166.) Application to change the method of computing bad debts must be made on Form 3115.**

**17. Taxes.—Enter taxes paid or accrued during the taxable year. Do not include Federal Income taxes, foreign or U.S. possession income taxes if a foreign/possession tax credit is claimed, or taxes not imposed on the corporation. See section 164(d) for apportionment of taxes on real property between seller and purchaser.**

**18. Interest.—Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. (For exceptions see section 265(2).) Mutual savings banks, building and loan associations, and cooperative banks should enter amounts paid or credited to the accounts of depositors as dividends, interest, or earnings.**

See section 267 for limitation on deductions for unpaid expenses and interest in transactions between related taxpayers. Generally, a cash basis taxpayer cannot deduct prepaid interest allocable to years subsequent to the current taxable year. A cash basis taxpayer, who in 1978 prepaid interest allocable to any period after 1978, can only deduct the amount allocable to 1978. Please see Publication 843, Income Tax Deduction for Interest Expense.

**19. Contributions.—Enter contributions or gifts actually paid within the taxable year to or for the use of charitable and governmental organizations described in section 170(c) and any unused contributions carried over from prior years.**

The total amount claimed may not exceed 5% of taxable income (line 30) computed without regard to (1) any deduction for contributions, (2) the special deductions in line 28(b), (3) deductions allowed under sections 248 and 280, (4) any net operating loss carryback to the taxable year under section 172, and (5) any capital loss carryback to the taxable year under section 1212(c)(3).



**1. Surplus Exemption.**—In general, corporations are entitled to a surplus exemption of \$50,000. However, members of a controlled group are entitled to one \$50,000 surplus exemption which is to be divided equally unless the group consents to split up the exemption plan. For purposes of lines 2 and 4, all members of a controlled group will enter one-half of their surplus exemption allocation on line 2 and the remaining one-half on line 4.

When an apportionment plan is adopted or later amended, each member of the controlled group must attach to its tax return a copy of its consent to this plan. The copy should show or have attached the amount of the surplus exemption apportioned to that member, as well as other data. See section 1561 and regulation section 1.1561-3(b) for the time and manner of making the consent.

**2. Tax installment payments under the Bank Holding Company Tax Act of 1976.**—Section 6159 provides that a bank holding company may elect to pay in installments the tax attributable to the sale of certain assets, the divestiture of which is certified by the Board of Governors of the Federal Reserve System. If this election is exercised, the Bank Holding Company must attach a statement showing the tax computation and the amount of the installment paid with this return. Also, in the right-hand margin next to line 9, Schedule J (Form 1120), enter the amount of the installment payment followed by the words "computed under section 6159." If an election under section 1103 (g) or (h) applies, enter the words "section 1103(g) election" or "section 1103(h) election," as the case may be.

Distributions pursuant to Bank Holding Company Act.—If an election under section 1103 (g) or (h) applies to a section 1101 distribution, the bank holding company making the distribution must enter the words "section 1103(g) election" or "section 1103(h) election," as the case may be, in the right-hand margin next to line 5, Schedule M-2 (Form 1120).

**3. Mutual savings banks conducting life insurance business.**—The tax under section 594 consists of the sum of (1) a partial tax computed on Form 1120 on the taxable income of the bank determined without regard to income or deductions allocable to the life insurance department; and (2) a partial tax on the taxable income computed on Form 1120 of the life insurance department. Enter the combined tax on line 9 of Schedule J, Form 1120. Attach Form 1120L as a schedule and identify as such.

**4. Possession tax credit.**—See Form 8712 for rules on how to elect to claim

to the extent such dividend is paid out of the corporation's accumulated DISC income or previously taxed income, or is a deemed distribution under section 995(b)(1).

In general, no dividends received deduction will be allowed on any share of stock (a) that is disposed of, or (b) to the extent the corporation is under an obligation to make corresponding payments with respect to substantially identical stock or securities.

**2. Limitation on dividends-received deduction.**—Line 2 may not exceed 85% of (line 28, page 1, less the sum of lines 3 and 4 of Schedule I) for this purpose. See Reg. 26.2612-1(b) for this purpose. Enter on line 28 the capital loss carryback to the taxable year under section 1212 (a)(1).

In a year in which a net operating loss occurs, sections 172(d) and 247(c) provide that this 85% limitation does not apply when the loss is created by the dividends-received deduction.

In the case of a small business investment company, the dividends-received deduction of 100% includes line 2 is not subject to the overall 85% limitation. Financial institutions should see section 596 for special limitation on dividends-received deduction.

**5. Deduction for dividends paid on certain preferred stock of public utilities.**—Section 247 allows public utilities a deduction of 29.167% of the lesser of (1) dividends paid on their preferred stock during the taxable year, or (2) taxable income computed without regard to this deduction. In a year in which a net operating loss occurs, section 172(d) provides that the deduction is to be computed without regard to section 247(a)(1)(B).

**6. Deduction for Western Hemisphere Trade Corporations.**—Section 922 allows Western Hemisphere Trade Corporations a deduction of 10.417% of taxable income computed without regard to this deduction.

However, no deduction is allowed to a corporation for a taxable year for which it is a DISC or during which it owns directly or indirectly at any time stock in a DISC or former DISC as defined in section 992(a).

## Schedule J—Tax Computation

The Tax Reduction and Simplification Act of 1977 extends through 1978 the lower tax rates and higher surtax exemption.

(Personal holding companies—see Schedule PH (Form 1120) before completing Schedule J.)

See section 172 for special rules, limitations, and definitions pertaining to net operating loss carrybacks and carryovers. **29(b). Special deductions.**—See instructions for Schedule I.

## Schedule A—Cost of Goods Sold

The method of valuing inventories may not be changed without permission. Application for permission to change must be made on Form 3115. Check method(s) used for valuing closing inventories in line 8(a).

**First-in** (FIFO) inventory method provided in Section 472 was adopted and used. Attach Form 970 or a statement with the information required by Form 970 to Form 1120 and check the box in line 8(b). Enter the net operating loss (revenues may be used) of total closing inventories covered under Section 472 in line 8(c).

**Full absorption method of inventory costing.**—Taxpayers engaged in manufacturing or production operations must use the full absorption method of inventory costing. If they are not using the full absorption method of inventory costing, they must change to this method direct when they begin production. The method of production costs are included for inventory purposes. The change to full absorption may be made by filing Form 3115. For further details, see Reg. Proc. 75-40, 1975-2 C.B. 571, and section 1.471-11 of the regulations.

**Cost of operations (where inventories are not an income-determining factor).**—If the amount entered on line 2 includes an amount applicable to cost of operations, attach a schedule showing (1) salaries and wages and (2) other costs in detail.

If per unit retain allocations are included on line 4, Schedule A, identify this cost and the total amount in the Schedule "Other costs" to be attached to Form 1120.

## Schedule I—Special Deductions

(Numbered to correspond with line numbers in Schedule I.)

**1. A small business investment company operating under the Small Business Investment Act of 1958** may deduct 100% of dividends received from domestic corporations subject to income tax. (Section 243(a)(2).)

No deduction is allowed under section 243 for a dividend from a DISC or former DISC (as defined in section 992(a)).

exempt income except certain portions of interest incurred by face amount certificate companies registered under the Investment Act of 1940. (See section 265 (2).) Items directly attributable to wholly exempt income must be allocated to such income, and items directly attributable to any class of taxable income must be allocated to such taxable income.

If an item is indirectly attributable both to taxable income and exempt income, a reasonable proportion of the item, determined in the light of all the facts and circumstances in each case, must be allocated to each.

Attach a statement showing (1) the amount of each class of exempt income and (2) the amount of expense items allocated to each such class. Show the amount allocated by apportionment separately.

If patronage dividends are included in line 26, page 1, Form 1120, identify this deduction and the total amount in the schedule "Other deductions" to be attached to Form 1120.

**29(c). Net operating loss deduction.**—The "net operating loss deduction" is the sum of the net operating loss carryovers and carrybacks to the taxable year. (Section 172(e).)

Generally, a net operating loss may be carried back to each of the 3 years preceding the year of such loss and carried over to each of the 7 years following the year of such loss, or an election may be made whereby a net operating loss may just be carried over to each of the 7 years following the year of such loss. The election is made by attaching a statement to a timely filed return, including extensions, and is irrevocable. After applying the net operating loss to the first taxable year to which it may be carried, the portion of the loss that may be carried to each of the remaining taxable years is the excess, if any, of the loss over the sum of prior taxable years to which the loss may be carried. (Section 172(b).)

If there is a net operating loss carryback, file Form 1139 within 12 months after the close of the taxable year in which the net operating loss occurred for a "quick refund" of taxes. (Section 6411.)

If a net operating loss carryback creates an unused investment credit or an unused work incentive (WIN) credit, in a preceding year, the unused credit may be carried back to the 3 preceding years (however, the WIN credit cannot be carried back to years beginning before 1972), and under the provisions of section 6411, a quick refund of the taxes affected may be obtained by filing Form 1139.

(3) amount being amortized; (4) amortization deducted in prior years; (5) amortization period (number of months); (6) amortization for this year; and (7) the total amount of amortization less the amount claimed in Schedule A and elsewhere on the return.

See section 169 and related regulations for conditions under which the cost of certified pollution control facilities may be amortized over 60 months. See section 168 for amortization of certain expenditures made before January 1, 1977 for on-the-job training and facilities over a period of 60 months.

See section 191 (end Temporary Internal Revenue Regulations, section 7.191) under which the cost incurred in a certified rehabilitation of a historic structure may be amortized over a 60-month period.

**21. Depreciation.**—See Instructions for Form 4562. Depreciation. If you elect Class Life Asset Depreciation Range (CLADR) System, get Form 4562.

**22. Depletion.**—See section 613 and 613A for percentage depletion rates applicable to natural deposits. Attach Form T if a deduction is claimed for depletion of timber.

**24. Pension, profit-sharing, etc. plans.**—The number of plans to be entered refers to all plans for which all assets have not been distributed. Also include any plans in which assets were distributed in the taxable year. The deduction is claimed as follows:

Complete Form 5500 for each plan and file as a separate return. Complete Form 5500-C in lieu of Form 5500 if there were fewer than 100 participants at the beginning of the plan year. See instructions for above forms for computation of allowable deduction on line 24. File these forms on or before the last day of the 7th month following the close of the plan year. ERISA imposes penalties for failure to furnish complete information and failure to file statements and return/reports.

**25. Employee benefit programs.**—Enter the amount of contributions to employee benefit programs (e.g., insurance, health and welfare programs) that are not an incidental part of a pension, profit-sharing, etc., plan included on line 24. Also include contributions to a qualified group term life insurance plan. Section 120 imposes certain rules on an employer which will permit employees (including spouses and dependents) to exclude from income employer contributions to a qualified group term life insurance plan.

**26. Other deductions.**—No deduction is allowable for the amount of any item or part of it allocable to a class of

Charitable contributions in excess of the 5% limitation may not be deducted for the taxable year but may be carried over to the next 3 taxable years. A contribution carryover is not allowed, however, to the extent that it is in excess of the 5% limitation.

Corporations on the accrual basis may elect to deduct contributions made on or before the 15th day of the month following the end of the month for which the contribution is made by the board of directors during the taxable year. A deduction signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the taxable year, must both be a copy of the resolution, must both be attached to the return.

Attach a schedule showing the name of each organization and the amount paid if a contribution is made in property other than money, describe the kind of property contributed and the method used in determining its fair market value. If a contribution carryover is included, show the amount and how it was determined.

**Special rule for contributions of certain property.**—If a charitable contribution of property is made, the contribution must be reduced by the sum of

(1) the ordinary income, short-term capital gain and

(2) for certain contributions, 62½% of the long-term capital gain, that would have resulted if the property were sold at its fair market value. The reduction for 62½% of the long-term capital gain applies to (1) contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and (2) contributions of any property to or for the use of certain private foundations. (Section 170(e).) For special rules regarding the contribution of inventory, and other ordinary income property (described in section 1221(1) or (2)), to an exempt organization described in section 501(c)(3), for use in the care of the ill, needy, or infants, see section 170(e)(3).

**Bargain sale to a charitable organization.**—If a charitable organization deduction is taken for property sold to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

**20. Amortization.**—If a deduction is claimed for amortization, attach a schedule showing: (1) a description of the expenditures being amortized; (2) date acquired, completed, or expended;

the possession tax credit (section 936). Compute the credit on Form 9735. It includes an election to carry back the credit to the preceding year (section 936(c)). Write in the margin next to the entry on line 11, the amount of the credit and identify it as being a section 936 credit.

**5. Credit for wages paid or incurred in work incentive (WIN) program.**—Employers may claim a credit of 20% of the salaries and wages paid or incurred to employees hired under a WIN program. The credit is allowed for the salaries and wages paid or incurred for the first 12 months of employment.

For special rules and limitations, see Form 4874 and sections 50A and 50B.

**6. Tax from recomputing a prior year WIN credit.**—If a WIN program employee is dismissed before the end of the WIN plan period of employment, the WIN credit previously taken on such employee (with certain exceptions) any tax credit previously taken on the salaries and wages paid or incurred to that employee. (See Form 4874.)

The tax from recomputing a prior year work incentive credit may not be offset against the current year's work incentive credit.

**7. Investment credit.**—In most cases, the investment credit rate is 10% for property acquired and placed in service during the taxable year. Corporations may elect an 11% credit for such property if the corporation contributes 1% of the qualified investment to an employee stock ownership plan (ESOP). Beginning in 1977, in lieu of the 11% credit, a corporation may elect up to an 11.5% credit for qualifying 10% prop-

erty if (1) the corporation increases its ESOP contribution from 1% up to 1.5% of the value of the corporation's unemploy- ment insurance wages paid during 1978 (limited to \$4,200 for each employee) over 102 percent of the aggregate unemploy- ment insurance wages paid during 1977. An additional 10 percent credit may be claimed for certain vocational rehabilitation referrals during the calendar years 1978, 1979, and 1980. For definitions, special rules, and limitations, also see Publication 902, Tax Information on Jobs Tax Credit.

Do not take an expense deduction for that portion of the wages or salaries paid or incurred which is equal to the amount of the new jobs credit (determined without regard to the limitation based on tax (section 53)). Members of a controlled group or a trade or business under common control with other trades or businesses, see section 280C.

**10. Minimum tax.**—In general, the corporate minimum tax rate is 15 percent and the minimum tax exemption is the greater of \$10,000 or the regular income taxes for the year.

The tax preference items for corporations are accelerated depreciation on real property; accelerated depreciation on leased personal property (applicable only to personal property companies); amortization of certified pollution control facilities; railroad rolling stock, on-the-job training facilities and child care facilities; reserve for losses on bad debt of financial institutions; depletion; intangible drilling costs (applicable only to personal holding companies); and, capital gains. Attach Form 4626 if tax preference items exceed \$10,000 even if there is no minimum tax. OR if there is any minimum tax liability deferred from a prior taxable year to this year.

**9. New jobs credit.**—In general, for a taxable year beginning in 1978, the credit

## Codes for Principal Business Activity

These industry titles and definitions are based on the Standard Industrial Classification system developed by the U.S. Department of Commerce, Bureau of Economic Analysis. The system follows closely the Standard Industrial Classification used to classify business establishments by type of activity. Use the list below, enter on page 1, under C, the code number for the principal business activity.

Code	Industry Title and Definition
0000	Unassigned
0100	Agriculture, forestry, and fishing
0200	Stock raising and breeding
0300	Forestry and logging
0400	Fishing and hunting
0500	Other agriculture, forestry, and fishing
0600	Other stock raising and breeding
0700	Other forestry and logging
0800	Other fishing and hunting
0900	Other agriculture, forestry, and fishing
1000	Other stock raising and breeding
1100	Other forestry and logging
1200	Other fishing and hunting
1300	Other agriculture, forestry, and fishing
1400	Other stock raising and breeding
1500	Other forestry and logging
1600	Other fishing and hunting
1700	Other agriculture, forestry, and fishing
1800	Other stock raising and breeding
1900	Other forestry and logging
2000	Other fishing and hunting
2100	Other agriculture, forestry, and fishing
2200	Other stock raising and breeding
2300	Other forestry and logging
2400	Other fishing and hunting
2500	Other agriculture, forestry, and fishing
2600	Other stock raising and breeding
2700	Other forestry and logging
2800	Other fishing and hunting
2900	Other agriculture, forestry, and fishing
3000	Other stock raising and breeding
3100	Other forestry and logging
3200	Other fishing and hunting
3300	Other agriculture, forestry, and fishing
3400	Other stock raising and breeding
3500	Other forestry and logging
3600	Other fishing and hunting
3700	Other agriculture, forestry, and fishing
3800	Other stock raising and breeding
3900	Other forestry and logging
4000	Other fishing and hunting
4100	Other agriculture, forestry, and fishing
4200	Other stock raising and breeding
4300	Other forestry and logging
4400	Other fishing and hunting
4500	Other agriculture, forestry, and fishing
4600	Other stock raising and breeding
4700	Other forestry and logging
4800	Other fishing and hunting
4900	Other agriculture, forestry, and fishing
5000	Other stock raising and breeding
5100	Other forestry and logging
5200	Other fishing and hunting
5300	Other agriculture, forestry, and fishing
5400	Other stock raising and breeding
5500	Other forestry and logging
5600	Other fishing and hunting
5700	Other agriculture, forestry, and fishing
5800	Other stock raising and breeding
5900	Other forestry and logging
6000	Other fishing and hunting
6100	Other agriculture, forestry, and fishing
6200	Other stock raising and breeding
6300	Other forestry and logging
6400	Other fishing and hunting
6500	Other agriculture, forestry, and fishing
6600	Other stock raising and breeding
6700	Other forestry and logging
6800	Other fishing and hunting
6900	Other agriculture, forestry, and fishing
7000	Other stock raising and breeding
7100	Other forestry and logging
7200	Other fishing and hunting
7300	Other agriculture, forestry, and fishing
7400	Other stock raising and breeding
7500	Other forestry and logging
7600	Other fishing and hunting
7700	Other agriculture, forestry, and fishing
7800	Other stock raising and breeding
7900	Other forestry and logging
8000	Other fishing and hunting
8100	Other agriculture, forestry, and fishing
8200	Other stock raising and breeding
8300	Other forestry and logging
8400	Other fishing and hunting
8500	Other agriculture, forestry, and fishing
8600	Other stock raising and breeding
8700	Other forestry and logging
8800	Other fishing and hunting
8900	Other agriculture, forestry, and fishing
9000	Other stock raising and breeding
9100	Other forestry and logging
9200	Other fishing and hunting
9300	Other agriculture, forestry, and fishing
9400	Other stock raising and breeding
9500	Other forestry and logging
9600	Other fishing and hunting
9700	Other agriculture, forestry, and fishing
9800	Other stock raising and breeding
9900	Other forestry and logging

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0600	Other stock raising and breeding
0700	Other forestry and logging
0800	Other fishing and hunting
0900	Other agriculture, forestry, and fishing
1000	Other stock raising and breeding
1100	Other forestry and logging
1200	Other fishing and hunting
1300	Other agriculture, forestry, and fishing
1400	Other stock raising and breeding
1500	Other forestry and logging
1600	Other fishing and hunting
1700	Other agriculture, forestry, and fishing
1800	Other stock raising and breeding
1900	Other forestry and logging
2000	Other fishing and hunting
2100	Other agriculture, forestry, and fishing
2200	Other stock raising and breeding
2300	Other forestry and logging
2400	Other fishing and hunting
2500	Other agriculture, forestry, and fishing
2600	Other stock raising and breeding
2700	Other forestry and logging
2800	Other fishing and hunting
2900	Other agriculture, forestry, and fishing
3000	Other stock raising and breeding
3100	Other forestry and logging
3200	Other fishing and hunting
3300	Other agriculture, forestry, and fishing
3400	Other stock raising and breeding
3500	Other forestry and logging
3600	Other fishing and hunting
3700	Other agriculture, forestry, and fishing
3800	Other stock raising and breeding
3900	Other forestry and logging
4000	Other fishing and hunting
4100	Other agriculture, forestry, and fishing
4200	Other stock raising and breeding
4300	Other forestry and logging
4400	Other fishing and hunting
4500	Other agriculture, forestry, and fishing
4600	Other stock raising and breeding
4700	Other forestry and logging
4800	Other fishing and hunting
4900	Other agriculture, forestry, and fishing
5000	Other stock raising and breeding
5100	Other forestry and logging
5200	Other fishing and hunting
5300	Other agriculture, forestry, and fishing
5400	Other stock raising and breeding
5500	Other forestry and logging
5600	Other fishing and hunting
5700	Other agriculture, forestry, and fishing
5800	Other stock raising and breeding
5900	Other forestry and logging
6000	Other fishing and hunting
6100	Other agriculture, forestry, and fishing
6200	Other stock raising and breeding
6300	Other forestry and logging
6400	Other fishing and hunting
6500	Other agriculture, forestry, and fishing
6600	Other stock raising and breeding
6700	Other forestry and logging
6800	Other fishing and hunting
6900	Other agriculture, forestry, and fishing
7000	Other stock raising and breeding
7100	Other forestry and logging
7200	Other fishing and hunting
7300	Other agriculture, forestry, and fishing
7400	Other stock raising and breeding
7500	Other forestry and logging
7600	Other fishing and hunting
7700	Other agriculture, forestry, and fishing
7800	Other stock raising and breeding
7900	Other forestry and logging
8000	Other fishing and hunting
8100	Other agriculture, forestry, and fishing
8200	Other stock raising and breeding
8300	Other forestry and logging
8400	Other fishing and hunting
8500	Other agriculture, forestry, and fishing
8600	Other stock raising and breeding
8700	Other forestry and logging
8800	Other fishing and hunting
8900	Other agriculture, forestry, and fishing
9000	Other stock raising and breeding
9100	Other forestry and logging
9200	Other fishing and hunting
9300	Other agriculture, forestry, and fishing
9400	Other stock raising and breeding
9500	Other forestry and logging
9600	Other fishing and hunting
9700	Other agriculture, forestry, and fishing
9800	Other stock raising and breeding
9900	Other forestry and logging

263-105-1





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# **Schedule A** Cost of Goods Sold (See instructions for Schedule A) Reflect ACTUAL purchases from a related supplier at the transfer price determined under the inter-com- pany pricing rules of section 994, if used. See Schedule P (Form 1120-DISC).

1	Inventory at the beginning of the year	
2	Purchases	
3	Salaries and wages	
4	Other costs (attach schedule)	
5	Total	
6	Less: Inventory at the end of the year	
7	Cost of goods sold—Enter here and on line 5, page 1	
8	Check valuation method(s) used for total closing inventory:	

☐ Lower of cost or market  
☐ Other (attach explanation)  
(b) Check if this is the first year LIFO inventory method was adopted and used ☐  
If checked, attach Form 970.  
(c) If the LIFO inventory method was used for this taxable year, enter percentage (or amounts) of closing inven-  
tory computed under LIFO.  
(d) Has there any substantial change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No  
If "yes," attach explanation.

## **Schedule B** Gross Income (See instructions for Schedule B)

A. Type of receipt	D. Gross receipts	C. Commission	O. Other receipts	E. Total (A, B, C, and D)
1 Qualified export receipts from the sale of export property: (a) To unrelated purchasers: (i) Direct foreign sales (ii) Foreign sales through a related foreign entity (iii) To persons in the U.S. (other than an un- related DISC) (iv) To an unrelated DISC (b) To related purchasers: (i) Direct foreign sales (ii) To persons in the U.S. (c) Total—Enter amount in column E on line 1, page 1. 2 Other qualified export receipts: (a) Leasing or renting of export property (b) Services related and subsidiary to a qualified ex- port sale or lease (c) Engineering and architectural services (d) Export management services (e) Qualified dividends (line 10, Schedule C) (f) Interest on producer's loans (g) Other interest (attach schedule) (h) Capital gain net income (Attach Schedule D (Form 1120)) (i) Ordinary gain or (loss) from Part II, Form 4797 (attach Form 4797, see instructions) 3 Total—Enter amount in column E on line 2, page 1. 3 Nonqualified gross receipts: (a) Ultimate use in U.S. (b) Exports subsidized by the U.S. Government (see instructions) (c) Certain direct or indirect sales or leases for use by the U.S. Government (d) Sales to other DISCs in the same controlled group (e) Nonqualified dividends (line 11, Schedule C) (f) Other (see instructions—attach schedule) (g) Total—Enter amount in column E on line 3, page 1. 4 Total—Enter amount in column E on line 4, page 1.				

# **1120-DISC** Domestic International Sales Corporation Return (PLEASE TYPE OR PRINT)

For calendar year 1978 or other taxable year beginning . . . 1978, ending . . . 19

**A** Date of DISC election . . . Name . . . G Employer identification number . . .

**B** Business code number (See page 9 of instructions) . . . Number and street . . . D Date incorporated . . .

City or town, State, and ZIP code . . . E Enter total assets from line 3, column (B), Schedule L (see instruction U)

**F** Did any corporation, individual, partnership, trust or estate at the end of your taxable year own, directly or indirectly, 50% or more of your voting stock? . . . Yes No

If "Yes," enter below the owner's name, address, identifying number, percentage of voting stock owned and, if a corporation, total assets. (See General instruction Q)

Name	Identifying number	Address	Percentage of voting stock owned	Total assets (Corporations only)	Foreign owner
					Yes No

## **G** Indicate by placing an "X" in the appropriate box(es) the inter-company pricing rule or rules which were applied to 25% or more of total receipts (line 4, page 1).

☐ SO-50 combined taxable income method, ☐ 4% gross receipts method, ☐ Section 482 method ("arm's length pricing")

All Computations Must Reflect Inter-Company Pricing Rules Under Section 994 If Used (See Schedule P (Form 1120-DISC))

## **Gross Income**

1 Qualified export receipts from the sale of export property (line 1(c) column E, Schedule B) . . .

2 Other qualified export receipts: (line 2(f) column E, Schedule B) . . .

3 Nonqualified gross receipts: (line 3(g) column E, Schedule B) . . .

4 Total of lines 1, 2, and 3 . . .

5 Subtract: Cost of goods sold (line 7, Schedule A) and/or operations (attach schedule) . . .

6 Total income . . .

## **Deductions**

7 Export promotion expenses: (line 1(c), Schedule E) . . .

8 Other expenses not deducted above: (line 2(f), Schedule E) . . .

9 Total deductions (add lines 7 and 8) . . .

## **Computation of Taxable Income**

10 Taxable income before net operating loss deduction and dividends received deduction (subtract line 9 from line 6) . . .

11 Subtract: (a) Net operating loss deduction (see instructions—attach schedule) . . .  
(b) Dividends-received deduction (line 2, Schedule I) . . .

12 Taxable income (subtract line 11 from line 10) . . .

13 Refund of U.S. tax on special fuel, nonhighway gas, and lubricating oil (attach Form 4136) . . .

14 Enter amount of special fuel, nonhighway gas, and lubricating oil tax credit from Form 4136 . . .

Signature of officer . . . Title . . . Date . . .

Preparer's signature . . . Preparer's social security no. . . Check if self-employed ☐

Firm's name (or yours) . . . E.I. No. . . Date . . .

Address and ZIP code . . .



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**Schedule C** Dividends (See instructions for Schedule C)

1	Domestic corporations subject to the 85% deduction	
2	Certain preferred stock of public utilities	
3	Foreign corporations subject to the 85% deduction	
4	Dividends from wholly-owned foreign subsidiaries subject to the 100% deduction (section 245(b))	
5	Other dividends from foreign corporations	
6	Includable income from controlled foreign corporations under subpart F (attach Forms 3645)	
7	Taxable dividends from a DISC or former DISC not included in line 1 (section 246(d))	
8	Other dividends	
9	Total (add lines 1 through 8)	
10	Subtract: Qualified dividends—Enter the qualified dividends here and on line 2(e), column D, Schedule B	

**Schedule E** Deductions (See instructions for Schedule E)

1	Export promotion expenses:	
(a)	Market studies	
(b)	Advertising	
(c)	Depreciation (attach Form 4562)	
(d)	Salaries and wages	
(e)	Rents	
(f)	Sales commissions	
(g)	Warehousing	
(h)	Freight (excluding insurance—see instructions)	
(i)	Compensation of officers	
(j)	Repairs (see instructions)	
(k)	Amortization (attach schedule)	
(l)	Pension, profit-sharing, etc. plans (see instructions) (enter number of plans)	
(m)	Employee benefit programs	
(n)	Other (list):	

(o)	Total (add lines 1(a) through 1(n))—Enter here and on line 7, page 1	
2	Other expenses not deducted above:	
(a)	Bad debts (Schedule F if reserve method is used)	
(b)	Taxes	
(c)	Interest	
(d)	Contributions (not over 5% of line 12, page 1 adjusted per instructions—attach schedule)	
(e)	Freight	
(f)	Freight insurance	
(g)	Other (attach schedule)	

**Schedule F** Bad Debts—Reserve Method

1. Year	2. Trade sales and accounts receivable outstanding at the end of the year	3. Sales on account	4. Current year's provision	5. Recoveries	6. Amount charged against the reserve	7. Reserve for bad debts at the end of the year
1973						
1974						
1975						
1976						
1977						
1978						

**Schedule I** Dividends—received Deduction (See instructions for Schedule I)

1	(a) 85% of line 1, Schedule C	
(b)	60.208% of line 2, Schedule C	
(c)	85% of line 3, Schedule C	
(d)	100% of line 4, Schedule C	
2	Total—See instructions for limitation. Enter here and on line 11(b), page 1	

Form 1120-DISC (1978)

**Schedule D** Deemed and Actual Distributions to Shareholders for the Taxable Year (See instructions for Schedule J)

1	Gross interest derived during the year from producer's loans (section 995(b)(1)(A))	
2	Gain recognized on the sale or exchange of property (section 995(b)(1)(B)) (see instructions—attach schedule)	
3	Gain recognized on the sale or exchange of property (section 995(b)(1)(C)) (see instructions—attach schedule)	
4	50% of taxable income attributable to military property (section 995(b)(1)(D)) (see instructions—attach schedule)	
5	Total of lines 1, 2, 3, and 4	
6	Taxable income (line 12, page 1)	
7	Adjusted taxable income (subtract line 5 from line 6) (enter here and on line 1, Part II)	
8	Taxable income attributable to base period export gross receipts (section 995(b)(1)(E)) (from line 22, Part II)	
9	Subtract line 8 from line 7 (enter zero if less than zero)	
10	50% of line 9 (section 995(b)(1)(F)(i))	
11	International boycott income (section 995(b)(1)(F)(ii)) (see instructions)	
12	Amount of illegal bribes and other payments (section 995(b)(1)(F)(iii)) (see instructions)	
13	Total of lines 8, 10, 11, and 12	
14	Earnings and profits for year (see instructions—attach schedule)	
15	Enter the smaller of line 13 or line 14 (but not less than zero)	
16	Foreign investment attributable to producer's loans (section 995(b)(1)(G)) (see instructions—attach schedule)	
17	Total deemed distributions under section 995(b)(1) (add lines 15 and 16)	

**Part II—Computation of Taxable Income Attributable to Base Period Export Gross Receipts**

1	Adjusted taxable income (from line 7, Part I)	
2	Enter the larger of (a) 365 divided by the number of days in your taxable year or (b) 1 (one)	
3	Annualized adjusted taxable income (line 1 times line 2)	
4	Annualized adjusted taxable income of all other DISCs in your controlled group (see instructions for exceptions)	
5	Line 3 plus line 4 (if \$100,000 or less see instructions)	

**Part III—Qualification for the 85% Deduction**

6	Taxable years beginning in 1972, 1973, 1974, and 1975 (use a separate line for each full or part year, starting with the earliest):	
(a)	Beginning of year (month, day, year)	
(b)	End of year (month, day, year)	
(c)		
(d)		
(e)		
(f)	Totals (add lines (a) through (e))	
(g)	Base period export gross receipts (subtract Column GD, line (f) from Column 6C, line (f))	

**Part IV—Qualification for the 85% Deduction**

7	Enter the smaller of (a) 1,461 divided by the number of days in your base period or (b) 1 (one)	
8	Line 6(g) times line 7	
9	Adjustment factor	
10	Adjusted base period export gross receipts (line 8 times line 9)	
11	Additions to adjusted base period export gross receipts:	
(a)	Adjusted base period export gross receipts of all other DISCs in your controlled group	
(b)	Other additions (attach schedule—see instructions)	
(c)	Total additions (line 11(a) plus line 11(b))	
12	Line 10 plus line 11(c)	
13	Qualified export gross receipts as described in sections 993(a)(1)(A), (B), (C), (G), and (H). (Add the amounts from Schedule D, Columns B and D, lines 1(c), 2(a), 2(b), 2(c), and 2(d))	
(b)	50 percent of qualified export gross receipts on line 13(a) attributable to military property	
(c)	Export gross receipts (subtract line 13(b) from line 13(a))	
14	Annualized export gross receipts (line 2 times line 13(c))	
15	Annualized export gross receipts of all other DISCs in your controlled group	
16	Line 14 plus line 15	
17	Enter the smaller of (a) line 12 divided by line 16 or (b) 1 (one)	
18	Line 5 times line 17	
19	Small DISC phaseout:	
(a)	Enter the greater of (a) \$50,000 less line 5 (but not more than \$50,000) or (b) zero	
(b)	Line 19(a) times 2 (two)	
20	Subtract line 19(b) from line 18 (enter zero if less than zero)	
21	Line 1 divided by line 5	
22	Taxable income attributable to base period export gross receipts (line 20 times line 21) (enter here and on line 8, Part I)	

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**PART III.—Deemed Distributions Under Section 995(b)(2)**

- 1 Annual installment of distribution attributable to revocation of election in a prior year . . . . .
- 2 Annual installment of distribution attributable to a failure to qualify as a DISC in a prior year . . . . .
- 3 Total deemed distributions under section 995(b)(2) (add line 1 and line 2) . . . . .

**PART IV.—Actual Distributions**

- 1 Distributions to meet qualification requirements under section 992(c) (attach computation) . . . . .
- 2 Other actual distributions . . . . .
- 3 Total of line 1 and line 2 . . . . .
- 4 Amount on line 3 treated as distributed out of:
- (a) Previously taxed income . . . . .
- (b) Accumulated DISC income (including DISC income of the current year) . . . . .
- (c) Other earnings and profits . . . . .
- (d) Other . . . . .

**Schedule K—Shareholder's Statement of DISC Distribution**  
(Attach a separate Copy A, Schedule K (Form 1120-DISC) for each shareholder receiving a deemed or actual distribution. Give Copy B to the shareholder. See instructions on the back of Copy C.)**Additional Information Required**

- H** Did you claim a deduction for expenses connected with:
- (1) Entertainment facility (boat, resort, ranch, etc.)? . . . . .
- (2) Living accommodations (except employees on business)? . . . . .
- (3) Employees' families at conventions or meetings? . . . . .
- If "Yes," were any of these conventions or meetings outside the United States or its possessions? . . . . .
- (4) Employee or family vacations not reported on Form W-2? . . . . .
- I** Enter total amount claimed on Form 1120-DISC for entertainment, entertainment facilities, gifts, travel, and conventions of the type for which substantiation is required under section 274(d) of the Internal Revenue Code. (See instruction S.) . . . . . \$
- J** Refer to page 8 of the instructions and state the principal:
- Business activity . . . . .
- Product or service . . . . .

- K** Were you a U.S. shareholder of any controlled foreign corporation?
- (See sections 951 and 957.) If "Yes," attach Form 3646 (and Form 2952 where appropriate) for each corporation.
- L** Did you file all required Forms 1087, 1096, and 1099? . . . . .
- M** (1) Did 95% or more of your gross receipts for the taxable year consist of qualified export receipts (as defined in section 993(a))? . . . . .
- (2) Did the adjusted basis of your qualified export assets (as defined in section 993(b)) at the close of the taxable year equal or exceed 95% of the sum of the adjusted basis of all your assets at the close of the taxable year? . . . . .
- (3) If the answer to (1) or (2) is "No," did you make a pro rata distribution of property as defined in section 992(c)? . . . . .
- N** (1) Did you have more than one class of stock at any time during the taxable year? . . . . .
- (2) Was the par or stated value of your stock at least \$2,500 on each day (for a new corporation, on the last day for making an election and for each succeeding day) of the taxable year? . . . . .
- O** Are you a member of a controlled group that includes other DISCs? . . . . .
- If "Yes,"
- (1) Report in Part II, Section B of Schedule N the names, addresses, and employer identification numbers of the DISCs.
- (2) State the name and employer identification number of the DISC in your controlled group completing Columns 3 and 4 of Part I, Sections A and B of Schedule N. See specific instruction B, Schedule N (Form 1120-DISC).

Name . . . . .

Employer identification number . . . . .

**P** Did you have your own bank account? . . . . .

**Q** Did you maintain separate books and records? . . . . .

**R** Did you, at any time during the taxable year, have an interest in or signature or other authority over a bank, securities, or other financial account in a foreign country? . . . . .

If "Yes," see instruction R.

**S** Were you the grantor of, or transferor to, a foreign trust during any taxable year, which foreign trust was in being during the current taxable year, whether or not you have any beneficial interest in such trust? . . . . .

If "Yes," you may be required to file Forms 3520, 3520-A, or 926.

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**Schedule L—Balance Sheets**

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1 Qualified assets:	(a) Beginning of the taxable year	(b) End of the taxable year
(a) Working capital (cash and necessary temporary investments) . . . . .		
(b) Funds awaiting investment (cash in U.S. banks in excess of working capital needs to acquire other qualified export assets) . . . . .		
(c) Export Import Bank obligations . . . . .		
(d) Trade receivables (accounts and notes receivable) . . . . .		
(i) Subtract allowance for bad debts . . . . .		
(e) Export property (net) (including inventory and qualified property held for lease) . . . . .		
(f) Producer's loans . . . . .		
(g) Investment in related foreign export corporations . . . . .		
(h) Depreciable assets . . . . .		
(i) Subtract accumulated depreciation . . . . .		
(j) Other (attach schedule) . . . . .		
2 Nonqualified assets (net) (list): . . . . .		
3 Total assets . . . . .		
4 Accounts payable . . . . .		
5 Other current liabilities (attach schedule) . . . . .		
6 Mortgages, notes, bonds payable in 1 year or more . . . . .		
7 Other liabilities (attach schedule) . . . . .		
8 Capital stock . . . . .		
9 Paid-in or capital surplus . . . . .		
10 Other earnings and profits . . . . .		
11 Previously taxed income (sec. 996(f)(2)) . . . . .		
12 Accumulated DISC income . . . . .		
13 Less cost of treasury stock . . . . .		
14 Total liabilities and stockholders' equity . . . . .		

**Assets****Liabilities and Stockholders' Equity**

1 Net income per book's	6 Income recorded on box 5 this year not included in this return (itemize)
2 Excess of capital losses over capital gains . . . . .	
3 Taxable income not recorded on books this year (itemize) . . . . .	
4 Expenses recorded on books this year not deducted in this return (itemize) . . . . .	
5 Total of lines 1 through 4 . . . . .	8 Total of lines 6 and 7 . . . . .
9 Income (line 10, page 1) (line 5 less line 8) . . . . .	

**Schedule M—Reconciliation of Income per Books With Income per Return**

1 Balance at the beginning of the year . . . . .	5 Distributions to qualify under sec. 992(c) . . . . .
2 Increases (itemize) . . . . .	6 Other decreases (itemize) . . . . .
3 Total of lines 1 and 2 . . . . .	7 Total of lines 4, 5, and 6 . . . . .
4 Deficit in earnings and profits . . . . .	8 Balance at end of year (line 3 less line 7) . . . . .

**Schedule N—Analysis of Other Earnings and Profits (Line 10 above)**

1 Balance at the beginning of the year . . . . .	5 Deficit in earnings and profits . . . . .
2 Deemed distributions under section 995(b) . . . . .	6 Distributions to qualify under sec. 992(c) . . . . .
3 Other increases (itemize) . . . . .	7 Other decreases (itemize) . . . . .
4 Total of lines 1, 2, and 3 . . . . .	8 Total of lines 5, 6, and 7 . . . . .
9 Balance at end of year (line 4 less line 8) . . . . .	

**Schedule O—Analysis of Previously Taxed Income (Line 11 above)**

1 Balance at the beginning of the year . . . . .	5 Distributions to qualify under sec. 992(c) . . . . .
2 Deemed distributions under section 995(b) . . . . .	6 Other decreases (itemize) . . . . .
3 Other increases (itemize) . . . . .	7 Total of lines 4 through 8 . . . . .
4 Total of lines 1, 2, and 3 . . . . .	9 Balance at end of year (line 3 less line 9) . . . . .

**Schedule P—Export Gross Receipts of the DISC and Related U.S. Persons (Attach separate Schedule N (Form 1120-DISC))**

1 Balance at the beginning of the year . . . . .	5 Distributions to qualify under sec. 992(c) . . . . .
2 Increases (itemize) . . . . .	6 Other decreases (itemize) . . . . .
3 Total of lines 1 and 2 . . . . .	7 Total of lines 4 through 8 . . . . .
4 Deficit in earnings and profits . . . . .	9 Balance at end of year (line 3 less line 9) . . . . .

**Schedule Q—Computation of Inter-company Transfer Price or Commission (Attach separate Schedule P (Form 1120-DISC))**



# 1978

Department of the Treasury  
Internal Revenue Service

## Instructions for Form 1120-DISC

### Domestic International Sales Corporation Return

(References are to the Internal Revenue Code)

#### Sec. 992. Requirements of a DISC

(a) **General rule.**—A DISC is a corporation that incorporates under the laws of the United States or the District of Columbia and satisfies the following conditions for the taxable year:

- (1) 95% or more of its gross receipts (as defined in section 993(f)) consisted of qualified export receipts (as defined in section 993(a));
- (2) the adjusted basis of its qualified export receipts (as defined in section 993(f)) at the end of the taxable year equals or exceeds 95% of the sum of the adjusted basis of all its assets at the end of the taxable year;
- (3) it does not have more than one class of stock and the par or stated value of its outstanding stock is at least \$2,500 on each day for a new corporation or \$500 for an existing corporation; and
- (4) it has made an election to be treated as a DISC and the election is in effect for the taxable year.

(b) **Election.**—An election by an existing corporation to be treated as a DISC for a taxable year must be made at any time during the 90-day period immediately preceding the beginning of the taxable year and by a new corporation must be made after the beginning of the first taxable year.

In general, the election will be valid only if all persons who are shareholders in the corporation on the first day of the first taxable year for which the election is effective consent to the election. (See Form 4876, Election to be Treated as a DISC.)

An election may be terminated by a revocation of the election for any taxable year after the first taxable year for which the election is effective if made at any time during the first 90 days of the taxable year (or for the taxable year following the taxable year of such 90 days), if made after the close of such 90 days.

The election will be terminated by the continued failure of the corporation to be a DISC for each of any 5 consecutive taxable years for which an election is effective.

(c) **Distributions to meet qualification requirements.**—A corporation

(5) a regulated investment company, as defined in section 851(e), or

(6) an electing small business corporation as defined in section 1371(b).

(e) **Restrictions on DISCs and DISC corporate stockholders.**—For any taxable year, no corporation may be a DISC in which at least one of the following conditions exists:

(1) the corporation is not a corporation organized under the laws of the United States or the District of Columbia, or

(2) the corporation is not allowed to take the Western Hemisphere Trade Corporation deduction (section 922), and is not entitled to the benefits of section 936.

(f) **Qualified export receipts.**—Except as provided by regulations under section 993(a)(2), qualified export receipts of a corporation are:

- (1) gross receipts from the sale, exchange, or other disposition of export property;
- (2) gross receipts from the lease or rental of export property that is used by the lessee of the property outside the U.S.;
- (3) gross receipts for services that are related and subsidiary to any qualified sale, exchange, lease, rental, or other disposition of export property by the corporation;
- (4) gain from the sale, exchange, or rental of export property that is used by the lessee of the property outside the U.S.;
- (5) dividends (or amounts includible in gross income under section 951) with respect to stock of a related foreign corporation;
- (6) interest on any obligation that is a qualified export asset;
- (7) gross receipts for engineering or architectural services for construction outside the U.S.; and
- (8) gross receipts for the performance of managerial services in furtherance of the production of other qualified export receipts of a DISC.

(g) **Qualified export assets.**—Qualified export assets of a corporation are:

- (1) export property;
- (2) assets used primarily in connection with the sale, lease, rental, storage, handling, transportation, packaging, assembly, or servicing of export property, or the performance of engineering or architectural services as described in section 993(a)(1)(Q) or managerial services in furtherance of the production of other qualified export receipts of a DISC;
- (3) accounts receivable and evidences of indebtedness that arise by reason of transactions described in section 993(a)(1)(A), (B), (C), (D), (E), (F), (G), (H), (I), (J), (K), (L), (M), (N), (O), (P), (Q), (R), (S), (T), (U), (V), (W), (X), (Y), or (Z);
- (4) money, bank deposits, and other similar temporary investments that are reasonably necessary to meet the working capital requirements of the corporation;
- (5) obligations arising in connection with a producer's loan;

(6) producer's loans.

(d) **Producer's loans.**—An obligation subject to the rules provided in section 993(d)(2) and (3) will be treated as arising out of a producer's loan if:

- (1) the loan, when added to the unpaid balance of other producer's loans, exceeds the accumulated DISC income at the beginning of the month in which the loan was made;
- (2) the obligation is evidenced by a note (or other evidence of indebtedness) with a stated maturity date not more than 5 years from the date of the loan;
- (3) the loan is made to a person engaged in the U.S. in the manufacturing, production, growing, or extraction of export property; and

(6) stock or securities of a related foreign export corporation;

(7) certain obligations issued, guaranteed, or insured, in whole or in part, by the Export-Import Bank of the U.S. or the Foreign Credit Insurance Corporation, or

(8) certain obligations issued by a domestic corporation organized solely for the purpose of financing sales of export property pursuant to an agreement with the Export-Import Bank of the U.S. or the Foreign Credit Insurance Corporation.

(9) amounts (other than reasonable working capital) on deposit in U.S. banks that are utilized during the period provided by regulations to acquire other qualified export assets.

(c) **Export property.**—Export property is property (except property excluded under section 993(c)(2) and property in short supply):

- (1) manufactured, produced, grown, or extracted in the U.S. by a person other than a DISC;
- (2) held primarily for sale, lease, or business, by, or to, a DISC for direct use, consumption, or disposition outside the U.S.;
- (3) whose fair market value is not more than 50% attributable to articles imported into the U.S.; and
- (4) not sold or leased (i) by a DISC, or (ii) to a DISC that is a member of the same controlled group (as defined in section 993(a)(3)) as the DISC or (iii) by any person to a Western Hemisphere trade corporation (as defined in section 921) that is a related producer (as member of the same controlled group) of the DISC.

(d) **Gross receipts.**—The term gross receipts means the total receipts from the sale, lease, or rental of property held primarily for sale, lease, or rental in the ordinary course of a trade or business and gross income from all other sources.

(e) **Gross receipts.**—The term gross receipts means the total receipts from the sale, lease, or rental of property held primarily for sale, lease, or rental in the ordinary course of a trade or business and gross income from all other sources.

(f) **Gross receipts.**—The term gross receipts means the total receipts from the sale, lease, or rental of property held primarily for sale, lease, or rental in the ordinary course of a trade or business and gross income from all other sources.

(g) **United States.**—U.S. includes the Commonwealth of Puerto Rico and the possessions of the U.S.

(4) it is designated as a producer's loan at the time of the loan.

(e) **Related foreign export corporation.**—A DISC may acquire and receive income in the form of dividends and interest from the following investments that are related to exports from the U.S.:

(1) foreign export corporations that are related to exports from the U.S.;

(2) stock possessing more than 50% of the total combined voting power of all classes of stock entitled to vote is owned directly by the DISC;

(3) 95% or more of the foreign corporation's gross income for the taxable year ending with or within the taxable year of the DISC consists of qualified export receipts described in section 993(a)(1)(A) through (D) and interest on any obligation described in section 993(a)(3) and (4); and

(4) the qualified export assets held by the foreign corporation at the close of the taxable year equals or exceeds 95% of the sum of the adjusted basis of all assets held by it at the close of the taxable year.

(f) **Real property holding company.**—A real property holding company is a foreign export corporation if:

- (1) stock possessing more than 50% of the total combined voting power of all classes of stock entitled to vote is owned directly by the DISC; and
- (2) its exclusive function is to hold title to real property for the exclusive use (under a lease or otherwise) of the DISC because of a requirement of applicable foreign law that the DISC cannot hold title.

(g) **Associated foreign corporation.**—A foreign corporation is a related foreign export corporation if:

- (1) less than 10% of the total combined voting power of all classes of stock entitled to vote is owned directly by the DISC or by a controlled group of corporations (within the meaning of section 1563) of which the DISC is a member; and
- (2) the ownership of stock and securities in the foreign corporation by the DISC is in furtherance of a transaction or transactions giving rise to qualified export receipts of the DISC.

(h) **Gross receipts.**—The term gross receipts means the total receipts from the sale, lease, or rental of property held primarily for sale, lease, or rental in the ordinary course of a trade or business and gross income from all other sources.

(i) **United States.**—U.S. includes the Commonwealth of Puerto Rico and the possessions of the U.S.

#### Sec. 994. Inter-Company Pricing Rules

In the case of a sale of export property to a DISC by a person described in section 482, the taxable income of the DISC is determined by the transfer price which would have been paid in the absence of the sale (regardless of the amount which does not exceed the greatest of:

- (1) 4% of the qualified export receipts on the sale of the property by the DISC plus 10% of the export promotion expenses of the DISC attributable to the receipts;
- (2) 50% of the combined taxable income of the DISC on the sale of the property plus the qualified export receipts on the property derived as the result of a sale by the DISC plus 10% of the export promotion expenses of the DISC attributable to the receipts;
- (3) taxable income based upon the sale price actually charged (subject to the rules of section 482).

Note. Generally, inter-company pricing rules (1) and (2) above will not permit the related person to price at a loss. See Schedule P (Form 1120-DISC).

Export promotion expenses are those expenses incurred to advance the distribution or sale of export property outside the U.S. but do not include: (1) the cost of shipping export property abroad; (2) the cost of shipping export property to the U.S. in those cases where the property is to be shipped abroad such as airplanes or ships.

#### General Instructions

**A. Corporations required to file Form 1120-DISC.**—Form 1120-DISC must be filed by a domestic corporation that has elected to be treated as a DISC and has satisfied the requirements under section 992 for treatment as a DISC for the taxable year.

A "former DISC" (as defined in section 992(a)(3)), in addition to filing any other return required, must file Form 1120-DISC for the taxable year following as a "former DISC." The former DISC need not complete those items pertaining to the computation of taxable income, but must complete Schedule J, K, L, and M (Form 1120-DISC).

**B. Where to file.**—

If the principal business office, or branch office, of a taxpayer is located in:

Use the following Internal Revenue Service office to which the return should be filed:

New York, New York City and counties of New York, New Jersey, Philadelphia and Washington, D.C.

659-263-109-1







non-commission sales, leases, or rentals and all other receipts reported in column D.

See instructions for lines 2(f) and 2(g) for details regarding the reporting of gains from sale of qualified export assets.

If you use the installment method of reporting, attach a schedule showing the gross profit, (b) cost of goods sold, (c) gross sales, (d) percentage of gross profit to gross sales, (e) amount collected, and (f) gross profit on the amount collected.

**1. Qualified export receipts from the sale of export property.**—These are receipts from the sale of property, such as inventory, produced in the U.S. for export, and are reported on line 2(f) if the property is sold to a foreign buyer, or on line 2(g) if the property is sold to a U.S. buyer.

For a sale to meet the export requirement, it must meet (1) a destination test, and (2) a requirement that the sale not be for ultimate use in the U.S.

The destination test will be considered satisfied if the property is sold to a foreign buyer, or if the property is sold to a U.S. buyer and the property is shipped to a foreign country or the place at which title passes or risk of loss shifts from the seller or lessor to the purchaser or lessee.

(a) Within the U.S. to a purchaser or lessee. If the property is sold to a purchaser or lessee within the U.S., it must be delivered outside the U.S. (including delivery to a carrier or freight forwarder for delivery outside the U.S.) by the purchaser or lessee (or a subsequent purchaser or lessee) within one year after the sale or lease.

(b) Within or outside the U.S. to a purchaser or lessee. If the property is sold to a purchaser or lessee within or outside the U.S., it must be delivered outside the U.S. (including delivery to a carrier or freight forwarder for delivery outside the U.S.) by the purchaser or lessee (or a subsequent purchaser or lessee) within one year after the sale or lease.

(c) Outside the U.S. to a purchaser or lessee. If the property is sold to a purchaser or lessee outside the U.S., it must be delivered outside the U.S. (including delivery to a carrier or freight forwarder for delivery outside the U.S.) by the purchaser or lessee (or a subsequent purchaser or lessee) within one year after the sale or lease.

(d) From the U.S. to a purchaser or lessee. If the property is sold to a purchaser or lessee from the U.S., it must be delivered outside the U.S. (including delivery to a carrier or freight forwarder for delivery outside the U.S.) by the purchaser or lessee (or a subsequent purchaser or lessee) within one year after the sale or lease.

(e) Outside the U.S. to a purchaser or lessee. If the property is sold to a purchaser or lessee outside the U.S., it must be delivered outside the U.S. (including delivery to a carrier or freight forwarder for delivery outside the U.S.) by the purchaser or lessee (or a subsequent purchaser or lessee) within one year after the sale or lease.

(f) From the U.S. to a purchaser or lessee. If the property is sold to a purchaser or lessee from the U.S., it must be delivered outside the U.S. (including delivery to a carrier or freight forwarder for delivery outside the U.S.) by the purchaser or lessee (or a subsequent purchaser or lessee) within one year after the sale or lease.

(g) Outside the U.S. to a purchaser or lessee. If the property is sold to a purchaser or lessee outside the U.S., it must be delivered outside the U.S. (including delivery to a carrier or freight forwarder for delivery outside the U.S.) by the purchaser or lessee (or a subsequent purchaser or lessee) within one year after the sale or lease.

nish the services is connected with the sale or lease. A service is subsidiary if it is of less importance and value as compared to the sale or lease.

**2(c). Engineering and architectural services.**—Receipts from engineering or architectural services on foreign construction projects which are either located abroad or proposed for location abroad are qualified receipts. They include feasibility studies, design and engineering services, and construction connected with exploration for minerals.

**2(d). Export management services.**—Include receipts for export management services provided to unrelated DISCs.

**2(f). Interest on producer's loans.**—A producer's loan must be evidenced by a note or other evidence of indebtedness. The loan must be made to a U.S. borrower, have a stated maturity not to exceed 5 years, and be attributable to the borrower's assets used in exporting and research and development.

**2(g). Other interest.**—Enter interest on any qualified export asset other than interest on producer's loans.

Include, for example, interest on accounts receivable arising out of sales in which the DISC acted as a principal or agent and guaranteed, or insured by the Export-Import Bank, the Foreign Credit Insurance Association.

**2(h). Capital gain net income.**—Every sale or exchange of a capital asset must be reported in detail on line 2(h), even though no gain or loss is indicated.

In addition to completing Schedule D (Form 1120), attach a separate schedule computing the gain from the sale of qualified export assets.

**2(i). Ordinary gain or (loss).**—Enter the total ordinary gain or loss from line 11, Part II, Form 4797.

In addition to completing Form 4797, attach a separate schedule computing the gain from the sale of qualified export assets.

**3(b). Exports subsidized by the U.S. Government.**—Enter receipts from the sale of products subsidized under a program of the U.S. Government, or any instrumentality thereof, that have been designated as excluded receipts.

**3(c). Certain direct or indirect sales or leases for use by the U.S. Government.**—Enter receipts from direct or indirect sales or leases of property or services for use by the U.S. Government, or any U.S. instrumentality thereof, that have been designated as excluded receipts.

**3(d). Sales to another DISC in the same controlled group.**—Enter receipts from the sale of property to another DISC in the same controlled group of corporations.

allowance of losses under section 267 or section 707(b) immediately before or after the lease with respect to the lessor and the prior lease was terminated by the action of the lessor (acting alone or together with the lessee).

The second part of the export test is that the property is sold to a foreign buyer, or if the property is sold to a U.S. buyer, it must be delivered outside the U.S. (including delivery to a carrier or freight forwarder for delivery outside the U.S.) by the purchaser or lessee (or a subsequent purchaser or lessee) within one year after the sale or lease.

Property sold to an unrelated person in the U.S. is sold to a U.S. buyer. If the property is sold to a U.S. buyer and the property is shipped to a foreign country or the place at which title passes or risk of loss shifts from the seller or lessor to the purchaser or lessee.

For example, if property is sold to a foreign wholesaler and it is known in advance that the property will be resold to a U.S. buyer, the sale is not a sale to a foreign buyer.

Special rules apply in the case of certain exported components incorporated into products imported into the U.S.

In general, related purchasers are treated as one purchaser if they are members of the same controlled group (as defined in section 933(a)(3)) as the DISC. Unrelated purchasers are all other purchasers.

**1(a).**—Enter the DISC's qualified export receipts (other than those entered on line 1(b)) from sales of export property to foreign unrelated purchasers for delivery outside the U.S.

**1(b).**—Enter the DISC's qualified export receipts from sales of export property for delivery outside the U.S. to (i) related purchasers, or (ii) an unrelated purchaser, or (iii) an unrelated purchaser who is a related foreign entity, or (iv) a foreign corporation that is a member of the same controlled group (as defined in section 933(a)(3)) as the DISC.

**2(a). Leasing of export property.**—Enter the gross amount received from the leasing (including subleasing) of export property to a foreign unrelated purchaser, or to a foreign entity, or to a foreign corporation that is a member of the same controlled group (as defined in section 933(a)(3)) as the DISC.

Whether the leased property sales use the usage test is to be determined on a year-by-year basis.

The receipts from a lease of export property may qualify in some years and not in others. The receipts from the lease of export property in the years involved are the receipts from the lease of export property in the years involved.

Deduct expenses such as repairs, interest, taxes, and depreciation on the property for such deductions.

**2(b). Services related and subsidiary to a qualified export sale or lease.**—A service is related to a sale or lease if it is of a kind customarily and usually furnished with that type of transaction in the trade or business in which the sale or lease is made and if the agreement to furnish

a dividends received deduction because of the holding period of the stock or an obligation to make corresponding payments with respect to similar stock, and any other taxable dividend income not properly reported above.

**10.** Enter dividends (and income constructively received from controlled foreign corporations under subpart F) received from the sale of export property or a DISC in a related foreign export corporation which constitute qualified dividends. Generally, the investment will be in stock or securities of a foreign selling subsidiary of the DISC which is qualified as a foreign international sales corporation (FISC).

**Schedule E.—Deductions**  
(Numbered to correspond with the line numbers in Schedule E.)

**Enter export promotion expenses in line 1. Export promotion expenses are a DISC's ordinary and necessary expenses paid or incurred to obtain qualified export receipts (but do not include income taxes). Any expense (or part of an expense) not included on a qualified export receipt must be entered in line 2.**

**1(c). Depreciation.**—Attach Form 4562 if you claim a deduction for depreciation. Enter on this line the depreciation not claimed in Schedule A and elsewhere on the return.

**1(f). Freight.**—Enter one-half of the freight expenses (not including insurance) for shipping export property aboard U.S. flag vessels and U.S.-owned and operated aircraft (unless required by law).

**1(g). Compensation of officers.**—Attach a schedule showing the name, social security number, amount of compensation, and other information for each officer. The expense account allocated to each officer must be shown for each officer. The expense account allocated to each officer must be shown for each officer.

To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance means (1) amounts, other than compensation, received as advances or reimbursements; and (2) amounts paid for the expenses of an officer. The expense account allocated to each officer must be shown for each officer.

For this purpose an officer is a person, such as a regular officer, chairman of the board, or a director, who is designated to office or who is designated as an officer in the corporation's charter or bylaws.

**10(a). Repairs.**—Enter the cost of repairs. Repairs are the cost of repairs, such as labor and materials, that do not add to the value of the property, prolong the life of the property, or include on this line the total amount of repairs figured under the depreciation method used (the MACRS (CAOR) System).

**10(b). Repairs.**—Enter the cost of repairs. Repairs are the cost of repairs, such as labor and materials, that do not add to the value of the property, prolong the life of the property, or include on this line the total amount of repairs figured under the depreciation method used (the MACRS (CAOR) System).

**10(c). Repairs.**—Enter the cost of repairs. Repairs are the cost of repairs, such as labor and materials, that do not add to the value of the property, prolong the life of the property, or include on this line the total amount of repairs figured under the depreciation method used (the MACRS (CAOR) System).

**10(d). Repairs.**—Enter the cost of repairs. Repairs are the cost of repairs, such as labor and materials, that do not add to the value of the property, prolong the life of the property, or include on this line the total amount of repairs figured under the depreciation method used (the MACRS (CAOR) System).

**10(e). Repairs.**—Enter the cost of repairs. Repairs are the cost of repairs, such as labor and materials, that do not add to the value of the property, prolong the life of the property, or include on this line the total amount of repairs figured under the depreciation method used (the MACRS (CAOR) System).

**10(f). Repairs.**—Enter the cost of repairs. Repairs are the cost of repairs, such as labor and materials, that do not add to the value of the property, prolong the life of the property, or include on this line the total amount of repairs figured under the depreciation method used (the MACRS (CAOR) System).

**10(g). Repairs.**—Enter the cost of repairs. Repairs are the cost of repairs, such as labor and materials, that do not add to the value of the property, prolong the life of the property, or include on this line the total amount of repairs figured under the depreciation method used (the MACRS (CAOR) System).

**10(h). Repairs.**—Enter the cost of repairs. Repairs are the cost of repairs, such as labor and materials, that do not add to the value of the property, prolong the life of the property, or include on this line the total amount of repairs figured under the depreciation method used (the MACRS (CAOR) System).

**1(k). Amortization.**—If a deduction for amortization is claimed, attach a schedule showing: (1) a description of the expenditures being amortized; (2) date acquired, completed, or expended; (3) amount being amortized; (4) amortization method used; (5) amortization period (in years or months); (6) amortization for this year; and (7) the total amount of amortization less the amount claimed in Schedule A and elsewhere on the return.

**1(l). Pension, profit-sharing, etc. plans.**—The number of plans to be entered refers to all plans for which all assets have not been distributed. Also include any plans in which assets were distributed, but which have not been distributed, if the number of plans must be indicated whether or not a deduction is claimed. Complete Form 5500 for each plan and file each as a separate return. Complete Form 5500-C in lieu of Form 5500 if the number of plans is more than 100. See instructions for above forms for computation of the amount of allowable deduction. File these forms on or before the last day of the 7th month following the close of the plan year.

**Caution:** ERISA imposes penalties for failure to furnish complete information and failure to file statements, returns and reports.

**1(m). Employee benefit programs.**—Enter the amount of your contributions to employee benefit programs (e.g., insurance, health and welfare programs) that are not includable in gross income. See instructions for above forms for computation of the amount of allowable deduction. File these forms on or before the last day of the 7th month following the close of the plan year.

**2(a). Bad debts.**—Bad debts may be treated in either of two ways: (1) as a deduction for the year in which the debt becomes worthless, or (2) as a deduction for a reasonable addition to a reserve for bad debts. (Section 166.) Application to change the method of computing bad debts must be made on Form 3115.

**2(b). Taxes.**—Enter taxes paid or accrued during the taxable year.

**2(c). Interest.**—Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. (Section 265.) See section 267 for the limitation on deductions for unpaid expenses and interest in transactions between related taxpayers.

See section 461(g) for limitation on deduction for prepaid interest by a cash basis taxpayer.

**2(d). Interest.**—Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. (Section 265.) See section 267 for the limitation on deductions for unpaid expenses and interest in transactions between related taxpayers.

See section 461(g) for limitation on deduction for prepaid interest by a cash basis taxpayer.

**2(e). Interest.**—Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. (Section 265.) See section 267 for the limitation on deductions for unpaid expenses and interest in transactions between related taxpayers.

See section 461(g) for limitation on deduction for prepaid interest by a cash basis taxpayer.

**2(f). Interest.**—Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. (Section 265.) See section 267 for the limitation on deductions for unpaid expenses and interest in transactions between related taxpayers.

See section 461(g) for limitation on deduction for prepaid interest by a cash basis taxpayer.

**2(g). Interest.**—Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. (Section 265.) See section 267 for the limitation on deductions for unpaid expenses and interest in transactions between related taxpayers.

See section 461(g) for limitation on deduction for prepaid interest by a cash basis taxpayer.

**2(h). Interest.**—Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. (Section 265.) See section 267 for the limitation on deductions for unpaid expenses and interest in transactions between related taxpayers.



a taxable year will be deemed to have received a distribution taxable as a dividend if the corporation has a DISC income for the taxable year, and the distribution is made during the immediately preceding consecutive taxable years for which the corporation was a DISC. The distribution will be deemed to be received in equal installments on the last day of each of the 10 taxable years of the corporation, or the year of termination or liquidation (but in no case over more than twice the number of immediately preceding consecutive taxable years during which the corporation was a DISC).

**Schedule K.—Shareholder's Statement of Distribution**  
Attach a separate Copy A, Schedule K (Form 1120-DISC) to Form 1120-DISC for each shareholder who had an actual or deemed distribution during the DISC's taxable year.

**Schedule N.—Export Gross Receipts to the DISC and Related U.S. Persons**  
Complete and attach Schedule N (Form 1120-DISC) to Form 1120-DISC.

**Schedule P.—Computation of Inter-company Transfer Price or Commission**  
Attach a separate Schedule P (Form 1120-DISC) for each transaction or group of transactions to which the inter-company pricing rules of section 994 (a)(1) and (2) are applied.

**6. Column C.—Generally, if export property does not qualify in the current year for the amount on line 5, Part III, section 993(c)(3), then the gross export gross receipts, then the gross receipts from such property should be excluded in computing the export gross receipts for the base period.**

However, if, by virtue of section 603(b)(2) of the Tax Reduction Act of 1975, export property qualifies in the current year for the amount on line 5, then the gross receipts, then the DISC must increase its export gross receipts for the base period. See section 1101(g)(5) of the Tax Reform Act of 1976 for computation to be used.

**Note:** Enter gross receipts, not just commissions, in the case of transactions in the case of transactions. 11b. Additions must be made to the base period export gross receipts in certain cases where there has been a separation in ownership of the stock in the DISC from ownership in the underlying trade or business which produced the export gross receipts during the base period. See section 993(c)(3) of the Tax Reform Act of 1976 for computation to be used.

**For the definitions of "net increase in foreign assets" and "actual foreign investment," see sections 993(c)(2) and 993(c)(3).**

**Part II.—Computation of Taxable Income Attributable to Base Period Export Gross Receipts**  
(Numbered to correspond with the line numbers in Part II of Schedule J.)

4. Include the annualized taxable income but no taxable losses incurred by any DISC which is a member of your controlled group (as defined in section 993(c)(3)) for the latest taxable year ending with or within your taxable year.

5. If this amount is \$100,000 or less, omit lines 6 through 21 and enter zero on line 22 and on line 8, Part I.

### Codes for Principal Business Activity

These industry titles and definitions are based, in general, on the Enterprise Standard Industrial Classification (ESIC) developed by the Office of Management and Budget, Executive Office of the President, to classify enterprises by type of activity in which they are engaged. The system follows closely the Standard Industrial Classification used to classify establishments. However, certain activities such as manufacturing, do not apply to a DISC. Using the list below, enter on page 1, under 8, the code number for the specific industry group from which the large majority of the DISC's principal business activity and principal product or service that account for the largest percentage of total receipts. For example, if the principal business activity is "Wholesale trade: Machinery, equipment, and supplies," the principal product or service may be "Engines and turbines."

Code	Code	Code	Code
5110 Paper and paper products	5120 Drugs, drug proprietaries, and druggists	5130 Apparel, piece goods, and notions	5140 Groceries and related products
5150 Chemical and allied products	5160 Petroleum and petroleum products	5170 Machine tools and machine tools accessories	5180 Miscellaneous retail stores
5190 Other retail trade	5200 Wholesale trade: machinery, equipment, and supplies	5210 Wholesale trade: other	5220 Wholesale trade: other
5230 Building materials, hardware, garden supply, and mobile home dealers	5240 Building materials dealers	5250 Garden supplies and mobile home	5260 Amusement and recreation services
5270 Motor vehicles and automotive equipment	5280 Motor vehicles and automotive equipment	5290 Motor vehicles and automotive equipment	5300 General merchandise stores
5310 Sporting, recreational, photographic, and miscellaneous shops	5320 Sporting, recreational, photographic, and miscellaneous shops	5330 Sporting, recreational, photographic, and miscellaneous shops	5340 Sporting, recreational, photographic, and miscellaneous shops
5350 Motor vehicle dealers	5360 Motor vehicle dealers	5370 Motor vehicle dealers	5380 Motor vehicle dealers
5390 Other durable goods	5400 Other durable goods	5410 Other durable goods	5420 Other durable goods
5430 Other durable goods	5440 Other durable goods	5450 Other durable goods	5460 Other durable goods
5470 Other durable goods	5480 Other durable goods	5490 Other durable goods	5500 Other durable goods
5510 Other durable goods	5520 Other durable goods	5530 Other durable goods	5540 Other durable goods
5550 Other durable goods	5560 Other durable goods	5570 Other durable goods	5580 Other durable goods
5590 Other durable goods	5600 Other durable goods	5610 Other durable goods	5620 Other durable goods
5630 Other durable goods	5640 Other durable goods	5650 Other durable goods	5660 Other durable goods
5670 Other durable goods	5680 Other durable goods	5690 Other durable goods	5700 Other durable goods
5710 Other durable goods	5720 Other durable goods	5730 Other durable goods	5740 Other durable goods
5750 Other durable goods	5760 Other durable goods	5770 Other durable goods	5780 Other durable goods
5790 Other durable goods	5800 Other durable goods	5810 Other durable goods	5820 Other durable goods
5830 Other durable goods	5840 Other durable goods	5850 Other durable goods	5860 Other durable goods
5870 Other durable goods	5880 Other durable goods	5890 Other durable goods	5900 Other durable goods
5910 Other durable goods	5920 Other durable goods	5930 Other durable goods	5940 Other durable goods
5950 Other durable goods	5960 Other durable goods	5970 Other durable goods	5980 Other durable goods
5990 Other durable goods	6000 Other durable goods	6010 Other durable goods	6020 Other durable goods
6030 Other durable goods	6040 Other durable goods	6050 Other durable goods	6060 Other durable goods
6070 Other durable goods	6080 Other durable goods	6090 Other durable goods	6100 Other durable goods
6110 Other durable goods	6120 Other durable goods	6130 Other durable goods	6140 Other durable goods
6150 Other durable goods	6160 Other durable goods	6170 Other durable goods	6180 Other durable goods
6190 Other durable goods	6200 Other durable goods	6210 Other durable goods	6220 Other durable goods
6230 Other durable goods	6240 Other durable goods	6250 Other durable goods	6260 Other durable goods
6270 Other durable goods	6280 Other durable goods	6290 Other durable goods	6300 Other durable goods
6310 Other durable goods	6320 Other durable goods	6330 Other durable goods	6340 Other durable goods
6350 Other durable goods	6360 Other durable goods	6370 Other durable goods	6380 Other durable goods
6390 Other durable goods	6400 Other durable goods	6410 Other durable goods	6420 Other durable goods
6430 Other durable goods	6440 Other durable goods	6450 Other durable goods	6460 Other durable goods
6470 Other durable goods	6480 Other durable goods	6490 Other durable goods	6500 Other durable goods
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6590 Other durable goods	6600 Other durable goods	6610 Other durable goods	6620 Other durable goods
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6670 Other durable goods	6680 Other durable goods	6690 Other durable goods	6700 Other durable goods
6710 Other durable goods	6720 Other durable goods	6730 Other durable goods	6740 Other durable goods
6750 Other durable goods	6760 Other durable goods	6770 Other durable goods	6780 Other durable goods
6790 Other durable goods	6800 Other durable goods	6810 Other durable goods	6820 Other durable goods
6830 Other durable goods	6840 Other durable goods	6850 Other durable goods	6860 Other durable goods
6870 Other durable goods	6880 Other durable goods	6890 Other durable goods	6900 Other durable goods
6910 Other durable goods	6920 Other durable goods	6930 Other durable goods	6940 Other durable goods
6950 Other durable goods	6960 Other durable goods	6970 Other durable goods	6980 Other durable goods
6990 Other durable goods	7000 Other durable goods	7010 Other durable goods	7020 Other durable goods
7030 Other durable goods	7040 Other durable goods	7050 Other durable goods	7060 Other durable goods
7070 Other durable goods	7080 Other durable goods	7090 Other durable goods	7100 Other durable goods
7110 Other durable goods	7120 Other durable goods	7130 Other durable goods	7140 Other durable goods
7150 Other durable goods	7160 Other durable goods	7170 Other durable goods	7180 Other durable goods
7190 Other durable goods	7200 Other durable goods	7210 Other durable goods	7220 Other durable goods
7230 Other durable goods	7240 Other durable goods	7250 Other durable goods	7260 Other durable goods
7270 Other durable goods	7280 Other durable goods	7290 Other durable goods	7300 Other durable goods
7310 Other durable goods	7320 Other durable goods	7330 Other durable goods	7340 Other durable goods
7350 Other durable goods	7360 Other durable goods	7370 Other durable goods	7380 Other durable goods
7390 Other durable goods	7400 Other durable goods	7410 Other durable goods	7420 Other durable goods
7430 Other durable goods	7440 Other durable goods	7450 Other durable goods	7460 Other durable goods
7470 Other durable goods	7480 Other durable goods	7490 Other durable goods	7500 Other durable goods
7510 Other durable goods	7520 Other durable goods	7530 Other durable goods	7540 Other durable goods
7550 Other durable goods	7560 Other durable goods	7570 Other durable goods	7580 Other durable goods
7590 Other durable goods	7600 Other durable goods	7610 Other durable goods	7620 Other durable goods
7630 Other durable goods	7640 Other durable goods	7650 Other durable goods	7660 Other durable goods
7670 Other durable goods	7680 Other durable goods	7690 Other durable goods	7700 Other durable goods
7710 Other durable goods	7720 Other durable goods	7730 Other durable goods	7740 Other durable goods
7750 Other durable goods	7760 Other durable goods	7770 Other durable goods	7780 Other durable goods
7790 Other durable goods	7800 Other durable goods	7810 Other durable goods	7820 Other durable goods
7830 Other durable goods	7840 Other durable goods	7850 Other durable goods	7860 Other durable goods
7870 Other durable goods	7880 Other durable goods	7890 Other durable goods	7900 Other durable goods
7910 Other durable goods	7920 Other durable goods	7930 Other durable goods	7940 Other durable goods
7950 Other durable goods	7960 Other durable goods	7970 Other durable goods	7980 Other durable goods
7990 Other durable goods	8000 Other durable goods	8010 Other durable goods	8020 Other durable goods
8030 Other durable goods	8040 Other durable goods	8050 Other durable goods	8060 Other durable goods
8070 Other durable goods	8080 Other durable goods	8090 Other durable goods	8100 Other durable goods
8110 Other durable goods	8120 Other durable goods	8130 Other durable goods	8140 Other durable goods
8150 Other durable goods	8160 Other durable goods	8170 Other durable goods	8180 Other durable goods
8190 Other durable goods	8200 Other durable goods	8210 Other durable goods	8220 Other durable goods
8230 Other durable goods	8240 Other durable goods	8250 Other durable goods	8260 Other durable goods
8270 Other durable goods	8280 Other durable goods	8290 Other durable goods	8300 Other durable goods
8310 Other durable goods	8320 Other durable goods	8330 Other durable goods	8340 Other durable goods
8350 Other durable goods	8360 Other durable goods	8370 Other durable goods	8380 Other durable goods
8390 Other durable goods	8400 Other durable goods	8410 Other durable goods	8420 Other durable goods
8430 Other durable goods	8440 Other durable goods	8450 Other durable goods	8460 Other durable goods
8470 Other durable goods	8480 Other durable goods	8490 Other durable goods	8500 Other durable goods
8510 Other durable goods	8520 Other durable goods	8530 Other durable goods	8540 Other durable goods
8550 Other durable goods	8560 Other durable goods	8570 Other durable goods	8580 Other durable goods
8590 Other durable goods	8600 Other durable goods	8610 Other durable goods	8620 Other durable goods
8630 Other durable goods	8640 Other durable goods	8650 Other durable goods	8660 Other durable goods
8670 Other durable goods	8680 Other durable goods	8690 Other durable goods	8700 Other durable goods
8710 Other durable goods	8720 Other durable goods	8730 Other durable goods	8740 Other durable goods
8750 Other durable goods	8760 Other durable goods	8770 Other durable goods	8780 Other durable goods
8790 Other durable goods	8800 Other durable goods	8810 Other durable goods	8820 Other durable goods
8830 Other durable goods	8840 Other durable goods	8850 Other durable goods	8860 Other durable goods
8870 Other durable goods	8880 Other durable goods	8890 Other durable goods	8900 Other durable goods
8910 Other durable goods	8920 Other durable goods	8930 Other durable goods	8940 Other durable goods
8950 Other durable goods	8960 Other durable goods	8970 Other durable goods	8980 Other durable goods
8990 Other durable goods	9000 Other durable goods	9010 Other durable goods	9020 Other durable goods
9030 Other durable goods	9040 Other durable goods	9050 Other durable goods	9060 Other durable goods
9070 Other durable goods	9080 Other durable goods	9090 Other durable goods	9100 Other durable goods
9110 Other durable goods	9120 Other durable goods	9130 Other durable goods	9140 Other durable goods
9150 Other durable goods	9160 Other durable goods	9170 Other durable goods	9180 Other durable goods
9190 Other durable goods	9200 Other durable goods	9210 Other durable goods	9220 Other durable goods
9230 Other durable goods	9240 Other durable goods	9250 Other durable goods	9260 Other durable goods
9270 Other durable goods	9280 Other durable goods	9290 Other durable goods	9300 Other durable goods
9310 Other durable goods	9320 Other durable goods	9330 Other durable goods	9340 Other durable goods
9350 Other durable goods	9360 Other durable goods	9370 Other durable goods	9380 Other durable goods
9390 Other durable goods	9400 Other durable goods	9410 Other durable goods	9420 Other durable goods
9430 Other durable goods	9440 Other durable goods	9450 Other durable goods	9460 Other durable goods
9470 Other durable goods	9480 Other durable goods	9490 Other durable goods	9500 Other durable goods
9510 Other durable goods	9520 Other durable goods	9530 Other durable goods	9540 Other durable goods
9550 Other durable goods	9560 Other durable goods	9570 Other durable goods	9580 Other durable goods
9590 Other durable goods	9600 Other durable goods	9610 Other durable goods	9620 Other durable goods
9630 Other durable goods	9640 Other durable goods	9650 Other durable goods	9660 Other durable goods
9670 Other durable goods	9680 Other durable goods	9690 Other durable goods	9700 Other durable goods
9710 Other durable goods	9720 Other durable goods	9730 Other durable goods	9740 Other durable goods
9750 Other durable goods	9760 Other durable goods	9770 Other durable goods	9780 Other durable goods
9790 Other durable goods	9800 Other durable goods	9810 Other durable goods	9820 Other durable goods
9830 Other durable goods	9840 Other durable goods	9850 Other durable goods	9860 Other durable goods
9870 Other durable goods	9880 Other durable goods	9890 Other durable goods	9900 Other durable goods
9910 Other durable goods	9920 Other durable goods	9930 Other durable goods	9940 Other durable goods
9950 Other durable goods	9960 Other durable goods	9970 Other durable goods	9980 Other durable goods
9990 Other durable goods	10000 Other durable goods	10010 Other durable goods	10020 Other durable goods

U.S. GOVERNMENT PRINTING OFFICE 10-783-108-1

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respond with the line numbers in Part I of Schedule J.)

2. Attach a computation showing the gain recognized by the DISC during the taxable year on the sale or exchange of property, other than property which is sold or exchanged to a DISC, and the basis for determining gain from the sale or exchange of such property. The amount realized is to be the fair market value of the property.

21(c). Freight.—Enter the freight expense not deducted on line 1(h) as an export promotion expense.

21(d). Other.—No deduction is allowable for the expense of any other items directly attributable to wholly exempt income must be allocated to such income, and items directly attributable to any class of taxable income must be allocated to such taxable income.

If an item is indirectly attributable to both a taxable income and an exempt item, determined in the light of all the facts and circumstances in each case, must be allocated to each.

Attach a statement showing (1) the amount of each class of exempt income and (2) the amount of expense items allocated to each class. Show the amount allocated by apportionment separately.

**Schedule I.—Dividends received**

1. In general, no dividends received deduction will be allowed on any share of stock (a) that is disposed of before the corporation has held it 15 days or less or (b) to the extent the corporation has received dividends from the same issuer with respect to substantially identical stock or securities.

No deduction is allowed under section 243 for a dividend from a DISC or 992(a) to the extent it is paid out of accumulated DISC income or previously received dividends from the same issuer pursuant to section 995(b)(1).

2. Limitation on dividends received deduction.—Line 2 may not exceed 85% of line 10, page 1.

For this purpose, line 10 is to be computed without regard to any capital loss carryback to the taxable year under section 1212(b)(1).

3. Fiscal year DISCs that have received dividends on certain preferred stock must use Form 1120-S (1978-79) to compute their dividends received deduction.

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ceed twice the basis for such property. (Section 170(e).)

**Bargain sale to a charitable organization.**—If a charitable contribution deduction for property sold to a charitable organization is allowed, the basis for determining gain from the sale or exchange of such property is to be the adjusted basis as the amount realized is to be the fair market value of the property.

21(c). Freight.—Enter the freight expense not deducted on line 1(h) as an export promotion expense.

21(d). Other.—No deduction is allowable for the expense of any other items directly attributable to wholly exempt income must be allocated to such income, and items directly attributable to any class of taxable income must be allocated to such taxable income.

If an item is indirectly attributable to both a taxable income and an exempt item, determined in the light of all the facts and circumstances in each case, must be allocated to each.

Attach a statement showing (1) the amount of each class of exempt income and (2) the amount of expense items allocated to each class. Show the amount allocated by apportionment separately.

**Schedule J.—Deemed and Actual Distributions to Shareholders for the Taxable Year**

1. In general, no dividends received deduction will be allowed on any share of stock (a) that is disposed of before the corporation has held it 15 days or less or (b) to the extent the corporation has received dividends from the same issuer with respect to substantially identical stock or securities.

No deduction is allowed under section 243 for a dividend from a DISC or 992(a) to the extent it is paid out of accumulated DISC income or previously received dividends from the same issuer pursuant to section 995(b)(1).

2. Limitation on dividends received deduction.—Line 2 may not exceed 85% of line 10, page 1.

For this purpose, line 10 is to be computed without regard to any capital loss carryback to the taxable year under section 1212(b)(1).

3. Fiscal year DISCs that have received dividends on certain preferred stock must use Form 1120-S (1978-79) to compute their dividends received deduction.

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**2(d). Contributions.**—Enter contributions or gifts actually paid within the taxable year to or for the use of charitable and governmental organizations, described in section 170(c), and the basis for such property. See section 170(d)(2)(B).

The total amount claimed may not exceed 5% of taxable income (line 12 of page 1) computed without regard to the dividends received deduction on line 11(b) of page 1, (3) deductions allowed under sections 249 and 250, (4) any net operating loss carryover to the taxable year, and (5) any capital loss carryback to the taxable year under section 1212(a)(1).

Charitable contributions in excess of the 5% limitation may not be deducted for the taxable year but may be carried over to the next 5 taxable years.

A contribution carryover is not allowed to a contributing loss carryover. See section 170(d)(2)(B).

Corporations on the accrual basis may elect to deduct contributions paid on or before the 15th day of the 3d month following the close of the taxable year. If the contributions are authorized by the board of directors, signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the taxable year, and a copy of the resolution must be attached to the return.

Attach a schedule showing the name of the donee, the amount and kind of property contributed, and the method used in determining its fair market value. If a contribution carryover is included, show the amount and how it was determined.

**Special rule for contributions of certain property.**—If made, the contribution must be reduced by the sum of

(1) the ordinary income and (2) 62½% (60.870% for gifts) of the long term capital gain, that would have resulted if the property were sold at its fair market value. The reduction for 62½% (60.870% for gifts) of the long term capital gain applies to (1) contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and (2) contributions of any property to or for the use of such organization.

Section 501(c)(3) and (2) described in section 1221(1) and (2) of an exempt organization described in section 501(c)(3) for use in the care of the ill, needy, or children may be deducted to the extent of such property, but in no event may the deduction ex-

cess—783-109-1



<b>1120F</b> Form 1120F Department of the Treasury Internal Revenue Service	<b>U.S. Income Tax Return of a Foreign Corporation</b> <small>For calendar year 1978 or other taxable year beginning in 1978, ending in 19</small>	<b>1978</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"> <b>Name</b>  <b>Number and street</b>  <b>City or town, State and ZIP code, or country</b> </td> <td style="width: 50%;"> <b>Employer identification number</b> </td> </tr> </table>	<b>Name</b> <b>Number and street</b> <b>City or town, State and ZIP code, or country</b>	<b>Employer identification number</b>
<b>Name</b> <b>Number and street</b> <b>City or town, State and ZIP code, or country</b>	<b>Employer identification number</b>				
<b>NOTE:</b> Complete Section I to compute tax on income from U.S. sources that is NOT effectively connected with the conduct of a trade or business within the U.S. Complete Section II to compute tax on income effectively connected with the conduct of a trade or business within the U.S. Corporations having both income effectively connected and income not effectively connected must complete both Sections I and II. Corporations having only income that is NOT effectively connected need file only pages 1 and 2.		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> <b>A</b> Country of incorporation  <b>B</b> Foreign country under whose laws the income reported on this return is subject to tax  <b>C</b> Date incorporated  <b>D</b> The corporation's books are in care of located at  <b>E</b> Were you at any time during the taxable year engaged in a trade or business within the U.S.  <b>F</b> Did you have a permanent establishment in the U.S. at any time during the taxable year within the meaning of section 894(b) and any applicable tax convention between the U.S. and a foreign country  <b>G</b> If "Yes," name the foreign country  <b>H</b> If "Yes," name the foreign country  <b>I</b> If you had an agent in the U.S. at any time during the year enter the following: Kind of agent  <b>J</b> Are you a foreign personal holding company under Section 552?  <b>K</b> Are you a personal holding company? (See instruction K.)  <b>L</b> Are you a controlled foreign corporation? (See instruction L.)           </td> <td style="width: 50%; vertical-align: top;"> <b>50%</b> or more of the taxable year own, directly or indirectly, all or substantially all of the stock of the corporation.  <b>50%</b> or more of the voting stock? (For rules of attribution, see Section 267(c).)  <b>Yes</b> <input type="checkbox"/> <b>No</b> <input type="checkbox"/>  <b>If "Yes," attach a schedule showing (a) name, address and identifying number, (b) percentage owned, and (c) the highest amount owed by you to such owner during the year.</b>  <b>(d) Enter highest amount owed to you by such owner during the year.</b>  <b>(e) Enter highest amount owed to you by such owner during the year.</b>  <b>(f) Enter highest amount owed to you by such owner during the year.</b>  <b>(g) Enter highest amount owed to you by such owner during the year.</b>  <b>(h) Enter highest amount owed to you by such owner during the year.</b>  <b>(i) Enter highest amount owed to you by such owner during the year.</b>  <b>(j) Enter highest amount owed to you by such owner during the year.</b>  <b>(k) Enter highest amount owed to you by such owner during the year.</b>  <b>(l) Enter highest amount owed to you by such owner during the year.</b>  <b>(m) Enter highest amount owed to you by such owner during the year.</b>  <b>(n) Enter highest amount owed to you by such owner during the year.</b>  <b>(o) Enter highest amount owed to you by such owner during the year.</b>  <b>(p) Enter highest amount owed to you by such owner during the year.</b>  <b>(q) Enter highest amount owed to you by such owner during the year.</b>  <b>(r) Enter highest amount owed to you by such owner during the year.</b>  <b>(s) Enter highest amount owed to you by such owner during the year.</b>  <b>(t) Enter highest amount owed to you by such owner during the year.</b>  <b>(u) Enter highest amount owed to you by such owner during the year.</b>  <b>(v) Enter highest amount owed to you by such owner during the year.</b>  <b>(w) Enter highest amount owed to you by such owner during the year.</b>  <b>(x) Enter highest amount owed to you by such owner during the year.</b>  <b>(y) Enter highest amount owed to you by such owner during the year.</b>  <b>(z) Enter highest amount owed to you by such owner during the year.</b> </td> </tr> </table>		<b>A</b> Country of incorporation <b>B</b> Foreign country under whose laws the income reported on this return is subject to tax <b>C</b> Date incorporated <b>D</b> The corporation's books are in care of located at <b>E</b> Were you at any time during the taxable year engaged in a trade or business within the U.S. <b>F</b> Did you have a permanent establishment in the U.S. at any time during the taxable year within the meaning of section 894(b) and any applicable tax convention between the U.S. and a foreign country <b>G</b> If "Yes," name the foreign country <b>H</b> If "Yes," name the foreign country <b>I</b> If you had an agent in the U.S. at any time during the year enter the following: Kind of agent <b>J</b> Are you a foreign personal holding company under Section 552? <b>K</b> Are you a personal holding company? 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<b>1</b> Tax from Section I (line 14, page 2). <b>2</b> Tax from Section II (line 15, Schedule J—Tax Computation, page 5). <b>3</b> Personal holding company tax (attach Schedule PH (Form 1120)). <b>4</b> Minimum tax (see instructions). <b>5</b> TOTAL tax—Add lines 1 through 4. <b>6</b> Credits: (a) Overpayment from 1977 allowed as a credit. <b>(b)</b> 1978 estimated tax payments. <b>(c)</b> Less refund of 1978 estimated tax applied for on Form 4468. <b>(d)</b> Tax deposited with Form 7004. <b>(e)</b> Tax deposited with Form 7005 (attach copy). <b>(f)</b> Credit from regulated investment companies (attach Form 2439). <b>(g)</b> U.S. tax on special fuels, nonhighway gas, and lubricating oil (attach Form 4136). <b>(h)</b> U.S. income tax paid or withheld at the source. <b>(i)</b> U.S. income tax paid or withheld at the source. <b>7</b> TAX DUE (subtract line 6 from line 5). See instruction C for depository method of payment. <b>8</b> OVERPAYMENT (subtract line 6 from line 5). <b>9</b> Enter amount of line 8 you want: <b>Credited to 1979 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"> <b>Signature of officer</b>  <b>Preparer's signature</b>  <b>Print name (or yours, if different) and address and ZIP code</b> </td> <td style="width: 50%;"> <b>Check if self-employed</b> <input type="checkbox"/>  <b>E.I. No.</b> <input type="checkbox"/>  <b>Date</b> </td> </tr> </table>		<b>Signature of officer</b> <b>Preparer's signature</b> <b>Print name (or yours, if different) and address and ZIP code</b>	<b>Check if self-employed</b> <input type="checkbox"/> <b>E.I. No.</b> <input type="checkbox"/> <b>Date</b>
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Form 1120-RE (10-17-70)

Page

**Schedule L Balance Sheets**

**ASSETS**

- 1 Cash . . . . .
- 2 Trade notes and accounts receivable . . . . .
- (a) Less allowance for bad debts . . . . .
- 3 Inventories . . . . .
- 4 Debt obligations: (a) U.S. and instrumentalities . . . . .
- (b) State, subdivisions, foreign, etc. . . . .
- 5 Other current assets (attach schedule) . . . . .
- 6 Loans to stockholders . . . . .
- 7 Mortgage and real estate loans . . . . .
- 8 Other investments (attach schedule) . . . . .
- 9 Buildings and other fixed depreciable assets . . . . .
- (a) Less accumulated depreciation . . . . .
- 10 Depletable assets . . . . .
- (a) Less accumulated depletion . . . . .
- 11 Land (net of any amortization) . . . . .
- 12 Intangible assets (amortizable only) . . . . .
- (a) Less accumulated amortization . . . . .
- 13 Other assets (attach schedule) . . . . .
- 14 Total assets . . . . .
- LIABILITIES AND STOCKHOLDERS' EQUITY**
- 15 Accounts payable . . . . .
- 16 Wages, notes, bonds payable in less than 1 year . . . . .
- 17 Other current liabilities (attach schedule) . . . . .
- 18 Loans from stockholders . . . . .
- 19 Wages, notes, bonds payable in 1 year or more . . . . .
- 20 Other liabilities (attach schedule) . . . . .
- 21 Capital stock: (a) Preferred stock . . . . .
- (b) Common stock . . . . .
- 22 Paid-in or capital surplus . . . . .
- 23 Retained earnings—appropriated (attach schedule) . . . . .
- 24 Retained earnings—unappropriated . . . . .
- 25 Less cost of treasury stock . . . . .
- 26 Total liabilities and stockholders' equity . . . . .

**Schedule M-1 Reconciliation of Income Per Books With Income Per Return**

- 1 Net income per books . . . . .
- 2 Federal income tax . . . . .
- 3 Excess of capital losses over capital gains . . . . .
- 4 Income subject to tax not recorded on books this year (itemize) . . . . .

- 5 Expenses recorded on books this year not deducted in this return (itemize) . . . . .

- (a) Depreciation . . . . .
- (b) Depletion . . . . .

**Schedule M-2 Analysis of Unappropriated Retained Earnings**

- 1 Balance at beginning of year . . . . .
- 2 Net income per books . . . . .
- 3 Other increases (itemize) . . . . .

**Total of lines 1, 2, and 3**

**Beginning of taxable year**

**(A) Amount**

- 1 Cash . . . . .
- 2 Trade notes and accounts receivable . . . . .
- (a) Less allowance for bad debts . . . . .
- 3 Inventories . . . . .
- 4 Debt obligations: (a) U.S. and instrumentalities . . . . .
- (b) State, subdivisions, foreign, etc. . . . .
- 5 Other current assets (attach schedule) . . . . .
- 6 Loans to stockholders . . . . .
- 7 Mortgage and real estate loans . . . . .
- 8 Other investments (attach schedule) . . . . .
- 9 Buildings and other fixed depreciable assets . . . . .
- (a) Less accumulated depreciation . . . . .
- 10 Depletable assets . . . . .
- (a) Less accumulated depletion . . . . .
- 11 Land (net of any amortization) . . . . .
- 12 Intangible assets (amortizable only) . . . . .
- (a) Less accumulated amortization . . . . .
- 13 Other assets (attach schedule) . . . . .
- 14 Total assets . . . . .
- LIABILITIES AND STOCKHOLDERS' EQUITY**
- 15 Accounts payable . . . . .
- 16 Wages, notes, bonds payable in less than 1 year . . . . .
- 17 Other current liabilities (attach schedule) . . . . .
- 18 Loans from stockholders . . . . .
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- 20 Other liabilities (attach schedule) . . . . .
- 21 Capital stock: (a) Preferred stock . . . . .
- (b) Common stock . . . . .
- 22 Paid-in or capital surplus . . . . .
- 23 Retained earnings—appropriated (attach schedule) . . . . .
- 24 Retained earnings—unappropriated . . . . .
- 25 Less cost of treasury stock . . . . .
- 26 Total liabilities and stockholders' equity . . . . .

**End of taxable year**

**(C) Amount**

- 1 Cash . . . . .
- 2 Trade notes and accounts receivable . . . . .
- (a) Less allowance for bad debts . . . . .
- 3 Inventories . . . . .
- 4 Debt obligations: (a) U.S. and instrumentalities . . . . .
- (b) State, subdivisions, foreign, etc. . . . .
- 5 Other current assets (attach schedule) . . . . .
- 6 Loans to stockholders . . . . .
- 7 Mortgage and real estate loans . . . . .
- 8 Other investments (attach schedule) . . . . .
- 9 Buildings and other fixed depreciable assets . . . . .
- (a) Less accumulated depreciation . . . . .
- 10 Depletable assets . . . . .
- (a) Less accumulated depletion . . . . .
- 11 Land (net of any amortization) . . . . .
- 12 Intangible assets (amortizable only) . . . . .
- (a) Less accumulated amortization . . . . .
- 13 Other assets (attach schedule) . . . . .
- 14 Total assets . . . . .
- LIABILITIES AND STOCKHOLDERS' EQUITY**
- 15 Accounts payable . . . . .
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- 17 Other current liabilities (attach schedule) . . . . .
- 18 Loans from stockholders . . . . .
- 19 Wages, notes, bonds payable in 1 year or more . . . . .
- 20 Other liabilities (attach schedule) . . . . .
- 21 Capital stock: (a) Preferred stock . . . . .
- (b) Common stock . . . . .
- 22 Paid-in or capital surplus . . . . .
- 23 Retained earnings—appropriated (attach schedule) . . . . .
- 24 Retained earnings—unappropriated . . . . .
- 25 Less cost of treasury stock . . . . .
- 26 Total liabilities and stockholders' equity . . . . .

- 7 Income recorded on books this year not included in this return (itemize)
- (a) Tax-exempt interest \$ . . . . .

- 8 Deductions in this tax return not charged against book income this year (itemize)
- (a) Depreciation . . . . . \$ . . . . .
- (b) Depletion . . . . . \$ . . . . .

- 9 Total of lines 7 and 8 . . . . .
- 10 Income (line 26, page 3)—line 6 less line 9 . . . . .

- 5 Distributions: (a) Cash . . . . .
- (b) Stock . . . . .
- (c) Property . . . . .
- 6 Other decreases (itemize) . . . . .

- 7 Total of lines 5 and 6 . . . . .
- 8 Balance at end of year (line 4 less line 7) . . . . .

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**J. Period to be covered by the 1978 return.**—File the 1978 return for calendar year 1978 and fiscal years be-



gining in 1978 and ending in 1979. If the return is for a fiscal year, fill in the taxable year on the form.

**Final return.**—If the corporation ceases to exist, write "FINAL RETURN" at the top of the form.

**Amended return.**—Correct any error in a previously filed income tax return by filing an amended Form 1120F.

**Change in accounting period.**—To change the accounting period, see section 1442. For regulations and instructions, see Form 1120F.

**Accounting period.**—See section 1120F.

**K. Personal holding companies.**—A foreign corporation that is a personal holding company as defined in section 542, but not a foreign personal holding company as defined in section 552, is subject to the tax imposed by section 541. Section 541 imposes a tax upon undistributed personal holding company income (as defined in section 545) of a foreign corporation that is a personal holding company under section 542. See Form 1120F, Schedule PH (Form 1120) with its Form 1120F. See Schedule J, Form 1120F.

**L. Foreign personal holding companies.**—Section 551(a) requires that the undistributed foreign personal holding company income of a foreign personal holding company, as defined in section 542, must be included in the income of the shareholders in the amount provided by section 551(b). Schedule PH (Form 1120) is not required, but Form 957 must be filed by certain officers, directors, or U.S. shareholders. (Section 6035 and regulations thereunder.)

**M. Signature.**—The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or by any other corporate officer (such as a tax officer) authorized to sign.

A receiver, trustee, or assignee must sign and date any return required to be filed on behalf of a corporation.

If your corporate officer filled in your Form 1120F, the space under the signature of the officer should remain blank. If someone fills out Form 1120F and does not charge you, that person should not sign. Certain others who prepare Form 1120F should not sign. For example, a clerk, secretary, etc., of the corporation does not have to sign. (This list is not all inclusive.)

Generally, anyone who is paid to prepare Form 1120F must sign the return. If the preparer is not a tax professional, he must fill in the blanks under the "Preparer's Information" area of the return.

When more than one person prepares Form 1120F, the preparer with primary responsibility for the overall accuracy of the return must sign as the preparer.

the taxpayer's entitlement to the reduced rate of tax under the tax convention.

**T. For purposes of applying an exemption from, or a reduction of, any U.S. tax provided by any treaty with respect to income not effectively connected with the conduct of a trade or business within the U.S., a foreign corporation will be deemed not to have a permanent establishment in the U.S. at any time during the taxable year. (See section 894(b).)**

**P. Accounting method.**—Taxable income must be computed using the method of accounting regularly used in maintaining the corporation's books and records. In all cases, the method adopted must clearly reflect taxable income. (See section 446.)

Unless the law specifically permits, a taxpayer may not change the method of accounting used to report income in prior years (for income as a whole or for any material item) without first securing consent on Form 3115, Application for Change in Accounting Method.

**Rounding off to whole-dollar amounts.**—Money items may be shown as whole-dollar amounts by dropping any amount less than 50 cents and by rounding 50 cents to the next higher dollar.

**Q. Estimated tax.**—A corporation must make estimated tax payments if it can expect its estimated tax (income tax less credits) to be \$40 or more.

Form 1120-W may be used as a worksheet to compute estimated tax.

If there was an overpayment of estimated tax, file Form 4466 for a "quick refund" if the overpayment is (1) at least 10% of the expected income tax liability AND (2) at least \$500.

This application for a quick refund must be made within 2½ months after the end of the taxable year and before Form 1120F is filed.

**R. Information returns.**—Various forms 1099 must be filed to report certain dividends, interest, income, miscellaneous income, etc. See Form 1096 and instructions for details.

Form 1096 must be filed to summarize and transmit information returns. Form 5452 must be filed by corporations paying non-taxable dividends.

**S. Consolidated returns.**—Except for certain subsidiary corporations organized under the laws of Canada or Mexico and maintained solely for the purpose of complying with the laws of such country as to title and operation of real property, a corporation may not be included as a member of an affiliated group of corporations for purposes of filing a consolidated return.

**T. Financial statements.**—Financial statements are to be completed in accordance with the instructions on Form 1120F.

accordance with the method of accounting used in computing taxable income on page 3. This method of accounting should be required by Federal, State, and local authorities may be used in place of Schedule L.

Certificates of deposit should be included as cash in line 1 of the balance sheet.

You may elect to limit the balance sheets and reconciliation of income per books with income per return to:

(1) the corporation's assets located in the U.S. and its other assets located in the trade or business conducted in the U.S. and

(2) its income effectively connected with the conduct of a trade or business in the U.S. and its other income from sources within the U.S.

Banks, insurance companies, and other corporations required to submit substantially similar statements of income and expense to any Federal, State, or local authority may submit copies of such statements in place of the information required on lines 3 through 30, page 3. In such cases, taxable income must be reconciled in Schedule M-1 with the net profit shown on the statement and entered as line 30, page 3.

**U. Attachments.**—If more space is needed on forms or schedules, attach separate sheets. Attach schedules in alphabetical order and forms in numerical order to the back of Form 1120F.

Be sure to put the taxpayer's name and employer identification number on these separate sheets.

**V. Minimum tax.**—In general, the minimum tax rate is 15 percent and the minimum tax exemption is the greater of \$10,000 or the regular income taxes for the year.

The tax preference items for corporations are accelerated depreciation on real property; accelerated depreciation on leased personal property (applicable only to personal holding companies); amortization of certified pollution control facilities; railroad rolling stock, on-facilities, reserve for losses on bad debts; and certain other items.

Attach Form 4626, if items of tax preference exceed \$10,000. Even if there is no minimum tax OR if there is any minimum tax liability deferred from a prior taxable year until this year.

**W. Transfers to corporation controlled by transferee.**—If a person acquires stock or securities or controls a corporation in exchange for property and gain or loss is recognized under section 351, the transferor and transferee

must attach the information required by section 1.351-3 of the regulations.

**X. Penalties.**—

1. A corporation that fails to file its tax return by the prescribed due date after any extensions of time for filing may be subject to a penalty of 5% per month, up to a maximum of 25%, for each month the return is not filed (the penalty is imposed on the net amount due—section 6651(g)(1)).

2. A corporation that fails to pay the tax due may be subject to a penalty of 1/2% a month or fraction of a month, up to a maximum of 25%, for each month the tax is not paid (the penalty is imposed on the net amount due—section 6651(a)(2)).

The above penalties will not be imposed if the corporation can show that the failure to file or to pay was due to a reasonable cause and not to willful neglect.

These penalties are in addition to the interest charge imposed on unpaid tax at a rate established pursuant to section 6621.

3. A corporation that fails to pay the proper estimated tax when due may be subject to an underpayment penalty for the period of underpayment (section 6655) at a rate established pursuant to section 6621.

If estimated tax was underpaid and a penalty charge should not be assessed, attach Form 2220.

**Y. Reporting international boycott operations.**—Any corporation, or a member of a controlled group which includes that corporation, which has operations in, or related to, a country (or with the government, a company, or a national of a country) which requires participation in or cooperation with an international boycott as a condition of doing business within such country or with the government, company, or national of a country, must report to Form 5713, Schedule A, required by section 999(g).

Further, if that corporation, member, or cooperative with an international boycott (as defined in section 999(b)(3)) during the taxable year, a portion of the foreign tax credit and DISC benefits will be denied. Any corporation subject to the reporting requirements of section 999(a), as outlined above, is required to file Form 5713 in duplicate. The original copy is to be filed with the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255. The duplicate copy of Form 5713 is to be attached to the corporation's income tax return.

**Z. Travel and entertainment expenses.** (Section 274(d)).—(See Form 1120F, question R, page 5).—The amount required to be entered is the total amount expended during the year for entertainment, entertainment facilities, gifts, travel, and conventions for

which substantiation would be required under section 274(d).

Expenditures paid or incurred in years ended in 1978 and 1979 beginning in 1978 but not in 1979 are not required to be included in the total (i.e., expenditures reflected in beginning inventories, capitalized expenditures, subject to depreciation, etc.). However, expenditures paid or incurred in tax years beginning in 1978 that are included in the cost of inventory merchandise purchased for resale, or capitalized in asset accounts, etc., should be reported in the total as if they were fully deducted on the return even though all or a portion of such expenditures are included in ending inventory, asset accounts, etc.

Do not include amounts treated as compensation and reported on Forms W-2.

See regulations section 1.274-5 for definitions and rules governing the types of expenses for which substantiation is required and therefore reportable in question R, page 5.

**Specific Instructions for Section II**

(Numbers on page 3 of the return.)

**Gross income.**

Enter in lines 1 through 10 gross income (regardless of source) which is effectively connected with the conduct of a trade or business within the U.S.

1. **Gross receipts.**—Enter gross receipts or sales from all business operations except those required to be reported in lines 4 through 10. For reporting advance payments and long-term contracts, see section 1.451-5 of the regulations.

If the installment method of reporting is used, enter on line 1 the gross profit on collections from installment sales and carry the same amount to line 3. Attach a schedule showing for the current and 3 preceding years (a) gross sales, (b) cost of goods sold, (c) gross profit, (d) percentage of gross profit to gross sales, (e) amount collected, and (f) gross profit on amount collected.

2. **Cost of goods sold.**—See instructions for Schedule A.

4. **Dividends.**—(Numbered to correspond with line numbers in Schedule C).

(1) Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction. Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends received deduction.

(2) Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction. Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends received deduction.

(3) Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction. Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends received deduction.

(4) Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction. Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends received deduction.

(5) Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction. Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends received deduction.

(6) Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction. Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends received deduction.

(7) Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction. Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends received deduction.

(8) Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction. Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends received deduction.

(9) Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction. Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends received deduction.

(10) Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction. Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends received deduction.

(11) Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction. Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends received deduction.

(12) Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction. Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends received deduction.

(13) Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction. Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends received deduction.

(14) Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction. Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends received deduction.

(15) Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction. Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends received deduction.

(16) Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction. Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends received deduction.



So-called dividends or earnings received from mutual savings banks, etc., are really interest and should not be treated as dividends.

(2) Enter dividends received on the preferred stock of a public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.

(3) Enter dividends received from foreign corporations that qualify for the 85% deduction provided in section 245(a).

(5) If the corporation claims the foreign tax credit, the amount of tax deemed paid under section 902(a) (relating to credit for corporate stockholder in foreign corporation) must be treated as a dividend received from the foreign corporation. (See section 902.)

(6) Enter taxable distributions from a DISC or former DISC that are designated as not being eligible for the 85% dividends-received deduction. (See sections 246(d), 995(b), and 996(a)(3).)

(7) Include dividends (other than capital gain dividends and exempt interest dividends) received from regulated investment companies that do not qualify for the 85% deduction; dividends from tax-exempt organizations; dividends (other than capital gain dividends) received from a real estate investment trust that, for the taxable year of the trust, in which the dividends are paid, qualifies under sections 856-858; dividends not eligible for a dividends-received deduction because of the holding period of the stock or an obligation to make corresponding payments with respect to the stock; and any other taxable dividend income not properly reported above.

(8) Other interest.—Enter interest on loans, notes, mortgages, bonds, bank deposits, corporate bonds, tax refunds, etc.

Do not offset interest income against interest expense.

(9) Gross rents.—Enter the gross amount received for the rent of property. Deduct expenses such as repairs, interest, taxes, and depreciation on the proper lines for deductions.

(10) Capital gain net income.—Every sale or exchange of a capital asset must be reported in detail in Schedule D (Form 1120) even though no gain or loss is realized.

If the long-term capital gain exceeds the net short-term capital loss or in case of only a net long-term capital gain, compute the alternative tax on separate Schedule D to see if it produces a lesser tax.

(11) Gain or (loss).—Enter the net ordinary gain or loss from line 11, Part II, Form 4797.

(12) Other income.—Enter any other taxable income not listed above and ex-

plain its nature on an attached schedule. Examples of other income would be recoveries of bad debts deducted in prior years under the specific charge-off method and refunds of taxes deducted in prior years. Do not offset current year's taxes with tax refunds.

If "other income" consists of only one item, identify it by showing the amount caption in parentheses on line 10.

**Deductions**  
In computing the taxable income of a foreign corporation engaged in a trade or business within the U.S., deductions are allowed only to the extent that they are connected with income from that trade or business within the U.S. Charitable contributions, however, may be deducted whether or not they are so connected. See section 882(c)(1) for allocation of deductions.

**12. Compensation of officers.**—Complete columns 1 through 6, Schedule E, for all officers. Complete column 7, Schedule E, for your six highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Exclude each officer's allowance means (1) amounts, other than compensation, received as advances or reimbursements and (2) amounts paid by or for the corporation for expenses incurred by or on behalf of an officer. Column 7 does not have to be completed for any officer for whom the combined amount is less than \$30,000.

**13. Salaries and Wages.**—Enter on line 13(a) the amount of total salaries and wages (other than salaries and wages deducted elsewhere on your return) paid or incurred for the taxable year.

Enter on line 13(b) applicable new jobs credit from line 13 of Form 3884. See instruction G of the Instructions for Form 3884 for additional information to determine the amount of new jobs credit to be entered on line 13(b).

**14. Repairs.**—Enter the cost of incidental repairs, such as labor and supplies, that do not add to the value or appreciably prolong the life of the property. Include on this line the total amount of repairs as figured under the Class Life Asset Depreciation Range (CLAOR) System.

**15. Bad debts.**—Bad debts may be treated in either of two ways—(1) as a deduction for debts that become worthless in whole or in part, or (2) as a deduction for a reasonable portion of a reserve for bad debts. (Section 166.) Application to change the method of computing bad debts must be made on Form 3115.

**17. Taxes.**—Enter taxes paid or accrued during the taxable year.

Do not include Federal income tax foreign or U.S. possession income tax if a foreign tax credit is claimed; or tax imposed on the corporation.

See section 164(d) for apportionment of tax on real property between seller and purchaser.

Section 902(b)(1) provides that certain foreign taxes imposed on income from U.S. sources may not be taken as a deduction.

**18. Interest.**—Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. (Section 265.)

See section 267 for limitation on deduction for unpaid expenses and interest on transactions between related taxpayers.

Generally, a cash basis taxpayer cannot deduct prepaid interest allocable to years subsequent to the current taxable year. A cash basis taxpayer, who in 1978 prepaid interest allocable to any period after 1978, can only deduct the amount allocable to 1978. Please see Publication 545, Income Tax Deduction for Interest Expense.

**19. Contributions.**—Enter contributions or gifts actually paid within the taxable year for or for the use of charitable, educational, religious, scientific, literary, or governmental organizations described in section 170(c) and any unexpired contributions carried over from prior years.

The total amount claimed may not exceed 5% of taxable income (line 30) computed without regard to (1) any deduction for contributions, (2) the special deductions in line 29(b), (3) deductions allowed under sections 249 and 250, (4) any net operating loss carryback to the taxable year under section 172, and (5) any capital loss carryback to the taxable year under section 1212(b)(1).

Charitable contributions in excess of the 5% limitation may not be deducted for the taxable year but may be carried over to the next taxable year.

Do not allow a deduction for contributions that are not allowed, but to the extent that they create a net operating loss carryover. See section 170(d)(2)(B).

Corporations on the accrual basis may elect to deduct contributions paid on or before the 15th day of the 3d month following the close of the taxable year if the contributions are authorized by the board of directors during the taxable year. A declaration, signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the taxable year, and a copy of the resolution, must both be attached to the return.

**Attach a schedule showing the name of each organization and the amount paid. If a contribution is made in property other than money, describe the kind of property contributed and the method used in determining its fair market value. If a contribution carryover is included, show the amount and how the carryover was determined.**

**Special rule for contributions of certain property.**—In the case of a charitable contribution of property, the contribution must be reduced by the sum of:

(1) the ordinary income, short-term capital gain and

(2) for certain contributions, 62½% of the long-term capital gain, that would have resulted if the property were sold at its fair market value. The reduction for 62½% of the long-term capital gain applies only to contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis of its exemption, and (2) the contributions of any property to or for the use of certain private foundations. (Section 170(e).) For special rules regarding the contribution of inventory, and other ordinary income property described in section 1221(1) or (2), to an exempt organization described in section 501(c)(1) for use in the care of the ill, needy, or children, see section 170(f)(3).

**Bargain sale to a charitable organization.**—If a charitable contribution deduction for property sold to a charitable organization is taken, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

**20. Amortization.**—If a deduction for amortization is claimed, attach a schedule showing: (1) a description of the expenditures being amortized; (2) date acquired, completed, or expended; (3) amount being amortized; (4) amortization period (number of months); (5) amortization for this year; and (6) the total amount of amortization less the amount claimed in Schedule A less elsewhere on the return.

See section 169 and related regulations for conditions under which the cost of certified pollution control facilities may be amortized over 60 months.

See section 188 for amortization of certain expenditures made before January 1, 1977, for on-the-job training facilities, and before January 1, 1982, for child care facilities over a period of 60 months.

**21. Depreciation.**—See instructions for Form 4562, Depreciation. If you

elect the Class Life Asset Depreciation Range (CLAOR) System, get form 4832.

**22. Depletion.**—See sections 613 and 613A for percentage depletion rates applicable to natural deposits. Attach Form T if a deduction is claimed for depletion of timber.

**24. Pension, profit-sharing, etc. plans.**—The number of plans to be entered refers to all plans for which all assets have not been distributed. Also include any plans in which assets were distributed in the current year. The number of plans must be indicated whether or not a deduction is claimed. Complete Form 5500 for each plan and file as a separate return. Complete Form 5500-C in lieu of Form 5500 if there were fewer than 100 participants at the beginning of the plan year. See instructions for the above Forms for computation of the allowable deductions. File these Forms on or before the last day of the 7th month following the close of the plan year.

Caution: ERISA imposes penalties for failure to furnish complete information and failure to file statements, returns and reports.

**25. Employee benefit programs.**—Enter the amount of your contributions to employee benefit programs (e.g., pension, profit-sharing, etc.) for the taxable year. Do not include the portion of a pension profit-sharing, etc. plan included on line 24. Also include contributions to a qualified group legal services plan. Section 120 imposes certain rules on an employer which permit employees (including spouses, and dependents) to exclude from income employer contributions to a qualified group legal services plan.

**26. Other deductions.**—No deduction is allowable for any amount allocable to a class of exempt income including income exempt by tax convention. Items directly attributable to wholly exempt income must be allocated to such income, and items directly attributable to any class of taxable income must be allocated to such taxable income.

If an item is indirectly attributable both to taxable income and exempt income, a reasonable proportion of the item, determined in the light of all the facts and circumstances in each case, shall be allocated to each.

Attach a statement showing (1) the amount of each class of exempt income (2) the amount of each class of taxable income allocated to each class. Show separately the amount allocated by apportionment.

**29(a). Net operating loss deduction.**—The "net operating loss deduction" is the sum of the net operating loss carryover from the preceding taxable year (Section 172(a)) and the net operating loss for the current taxable year (Section 172(b)). Generally, a net operating loss may

be carried back to each of the 3 years preceding the year of such loss and carried over to each of the 7 years following the year of such loss; or, an election may be made whereby a net operating loss may be carried over to each of the 7 years following the year of such loss (the election is made by attaching a statement to a timely filed return, including extensions, and is irrevocable). After applying the net operating loss to the first taxable year to which it may be carried, the portion of the loss to be carried to each of the remaining taxable years is the excess, if any, of the amount of the loss over the sum of the taxable income for each of the prior taxable years to which the loss may be carried. (Section 172(b).)

If there is a net operating loss carryback, the Form 1139 within 12 months after the close of the taxable year in which the net operating loss occurred for a "quick refund" of tax. (Section 6411.)

If a net operating loss carryback creates an unused investment credit or an unused work incentive (WIN) credit in a preceding year, the unused credit may be carried back to the 3 preceding years (however, the WIN credit cannot be carried back to years beginning before 1972), and, under the provisions of section 6411, a quick refund of the taxes affected may be obtained by filing Form 1139.

See section 172 for special rules, limitations, and definitions pertaining to net operating loss carrybacks and carryovers.

**29(b). Special deductions.**—See instructions for Schedule I.

**Schedule A—Cost of Goods Sold**

The method of valuing inventories may not be changed without permission. Application for permission to change must be made on Form 3115. Check method(s) used for valuing closing inventories in line 8(a).

If this is the first year the "Last-in First-out" (LIFO) inventory method provided in Section 472 was adopted and used, attach Form 970 or a statement with the information required by Form 970 to Form 1120 and check the LIFO box in line 8(b). Enter the amount or period (estimates may be used) of period(s) closed covered under Section 472 in line 8(c).

**Full absorption method of inventory costing.**—Taxpayers engaged in manufacturing or production operations must use the full absorption method of inventory costing. If they are not using the full absorption method of inventory costing, they must change to this method. (Section 263A.)

**Net operating loss deduction.**—See instructions for Form 4562, Depreciation. If you



## Codes for Principal Business Activity

These industry titles and definitions are based, in general, on the Standard Industrial Classification Manual, 1980, published by the U.S. Department of Commerce, Bureau of Economic Analysis. The Office of Management and Budget, Executive Office of the President, has classified the principal business activity of each corporation on the basis of the Standard Industrial Classification Manual, 1980, published by the U.S. Department of Commerce, Bureau of Economic Analysis. The principal business activity is the activity in which the corporation is engaged, or the activity in which it is engaged in the greatest amount, or the activity in which it is engaged in the greatest amount of time, or the activity in which it is engaged in the greatest amount of money.

Code	Code	Code	Code
0000 Agriculture, forestry, and fishing	3000 Chemical and allied products	6000 Transportation equipment	9000 Other services
0100 Agriculture	3100 Fertilizers, pesticides, and other chemicals	6100 Motor vehicles and parts	9100 Health services
0200 Forestry	3200 Plastics, rubber, and leather	6200 Aircraft and spacecraft	9200 Educational services
0300 Fishing	3300 Textiles, apparel, and other products	6300 Motorcycles and parts	9300 Entertainment, recreation, and other services
0400 Agriculture, forestry, and fishing	3400 Lumber and wood products	6400 Automobiles and parts	9400 Other services
0500 Agriculture	3500 Paper and allied products	6500 Trucks and parts	9500 Other services
0600 Forestry	3600 Glass and other nonmetallic mineral products	6600 Buses and parts	9600 Other services
0700 Fishing	3700 Stone, clay, and other nonmetallic mineral products	6700 Motorcycles and parts	9700 Other services
0800 Agriculture, forestry, and fishing	3800 Miscellaneous nonmetallic mineral products	6800 Automobiles and parts	9800 Other services
0900 Agriculture	3900 Miscellaneous nonmetallic mineral products	6900 Trucks and parts	9900 Other services
1000 Forestry	4000 Miscellaneous nonmetallic mineral products	7000 Hotels and other lodging places	
1100 Fishing	4100 Miscellaneous nonmetallic mineral products	7100 Restaurants and other food service	
1200 Agriculture, forestry, and fishing	4200 Miscellaneous nonmetallic mineral products	7200 Business services except advertising	
1300 Agriculture	4300 Miscellaneous nonmetallic mineral products	7300 Auto repair and service	
1400 Forestry	4400 Miscellaneous nonmetallic mineral products	7400 Misc repair services	
1500 Fishing	4500 Miscellaneous nonmetallic mineral products	7500 Amusement and recreational services	
1600 Agriculture, forestry, and fishing	4600 Miscellaneous nonmetallic mineral products	7600 Services except motion pictures	
1700 Agriculture	4700 Miscellaneous nonmetallic mineral products	7700 Other services of physicians, including osteopaths	
1800 Forestry	4800 Miscellaneous nonmetallic mineral products	7800 Public utilities	
1900 Fishing	4900 Miscellaneous nonmetallic mineral products	7900 Offices of other health practitioners	
2000 Agriculture, forestry, and fishing	5000 Miscellaneous nonmetallic mineral products	8000 Hospitals and personal care facilities	
2100 Agriculture	5100 Miscellaneous nonmetallic mineral products	8100 Medical laboratories	
2200 Forestry	5200 Miscellaneous nonmetallic mineral products	8200 Social services	
2300 Fishing	5300 Miscellaneous nonmetallic mineral products	8300 Other services	
2400 Agriculture, forestry, and fishing	5400 Miscellaneous nonmetallic mineral products	8400 Other services	
2500 Agriculture	5500 Miscellaneous nonmetallic mineral products	8500 Other services	
2600 Forestry	5600 Miscellaneous nonmetallic mineral products	8600 Other services	
2700 Fishing	5700 Miscellaneous nonmetallic mineral products	8700 Other services	
2800 Agriculture, forestry, and fishing	5800 Miscellaneous nonmetallic mineral products	8800 Other services	
2900 Agriculture	5900 Miscellaneous nonmetallic mineral products	8900 Other services	
3000 Chemical and allied products	6000 Transportation equipment	9000 Other services	
3100 Fertilizers, pesticides, and other chemicals	6100 Motor vehicles and parts	9100 Health services	
3200 Plastics, rubber, and leather	6200 Aircraft and spacecraft	9200 Educational services	
3300 Textiles, apparel, and other products	6300 Motorcycles and parts	9300 Entertainment, recreation, and other services	
3400 Lumber and wood products	6400 Automobiles and parts	9400 Other services	
3500 Paper and allied products	6500 Trucks and parts	9500 Other services	
3600 Glass and other nonmetallic mineral products	6600 Buses and parts	9600 Other services	
3700 Stone, clay, and other nonmetallic mineral products	6700 Motorcycles and parts	9700 Other services	
3800 Miscellaneous nonmetallic mineral products	6800 Automobiles and parts	9800 Other services	
3900 Miscellaneous nonmetallic mineral products	6900 Trucks and parts	9900 Other services	
4000 Miscellaneous nonmetallic mineral products	7000 Hotels and other lodging places		
4100 Miscellaneous nonmetallic mineral products	7100 Restaurants and other food service		
4200 Miscellaneous nonmetallic mineral products	7200 Business services except advertising		
4300 Miscellaneous nonmetallic mineral products	7300 Auto repair and service		
4400 Miscellaneous nonmetallic mineral products	7400 Misc repair services		
4500 Miscellaneous nonmetallic mineral products	7500 Amusement and recreational services		
4600 Miscellaneous nonmetallic mineral products	7600 Services except motion pictures		
4700 Miscellaneous nonmetallic mineral products	7700 Other services of physicians, including osteopaths		
4800 Miscellaneous nonmetallic mineral products	7800 Public utilities		
4900 Miscellaneous nonmetallic mineral products	7900 Offices of other health practitioners		
5000 Miscellaneous nonmetallic mineral products	8000 Hospitals and personal care facilities		
5100 Miscellaneous nonmetallic mineral products	8100 Medical laboratories		
5200 Miscellaneous nonmetallic mineral products	8200 Social services		
5300 Miscellaneous nonmetallic mineral products	8300 Other services		
5400 Miscellaneous nonmetallic mineral products	8400 Other services		
5500 Miscellaneous nonmetallic mineral products	8500 Other services		
5600 Miscellaneous nonmetallic mineral products	8600 Other services		
5700 Miscellaneous nonmetallic mineral products	8700 Other services		
5800 Miscellaneous nonmetallic mineral products	8800 Other services		
5900 Miscellaneous nonmetallic mineral products	8900 Other services		

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property that requires at least two years to construct and has an expected useful life of at least seven years. See Form 3468 for special rules and limitations. Also, see Form 3468 (Schedule B) for rules regarding re- fundable business energy credits.

**4. Tax from recomputing a prior year investment credit.**—If property is disposed of prior to the 15-year category used in computing the investment credit, the investment credit must be recomputed using the useful life of the property. The recomputed credit is then applied to the investment credit for qualified property (excluding credit taken (including carrybacks and carryovers) exceeding the recomputed credit, the tax for the year of disposition must be increased by the excess. Form 4255 may be used to compute the tax.

The tax from recomputing a prior year investment credit may not be offset against the current year's investment credit.

**5. Credit for wages paid or incurred in a work incentive (WIN) program.**—Employers may claim a credit of 20% of the salaries and wages paid or incurred for employees hired under a WIN program. For special rules and limitations, see Form 4874 and sections 50A and 50B.

**6. Tax from recomputing a prior year WIN credit.**—If a WIN program employee is dismissed before completing a certain period of employment, the WIN credit previously taken on such employee may be subject to recapture. (See Form 4874.)

The tax from recomputing a prior year work incentive credit may not be offset against the current year's work incentive credit.

**7. New jobs credit.**—In general, for a taxable year beginning in 1978, the credit shall be an amount equal to 50% of the excess of the aggregate unemployment insurance wages (limited to \$100 for each employee) paid during 1978 over 10% of the aggregate unemployment insurance wages paid during 1977. An additional 10% credit may be claimed for certain vocational rehabilitation referrals during the calendar year 1978. See Form 5884 for definitions, special rules, and limitations. Also see Publication 902, Tax Information on Jobs Tax Credit.

Do not take an expense deduction for that portion of the wages or salaries paid or incurred which is equal to the amount of the new jobs credit (determined without regard to the limitation based on tax (section 53)). Members of a controlled group or a trade or business under common control with other trades or businesses, see section 280C.

**8.** The investment credit also applies to qualified progress expenditure payments made during the construction of

the change to full absorption may be made by filing Form 3115. For further details, see Rev. Proc. 75-40, 1975-2 C.B. 571 and section 1.471-11 of the Regulations.

**Cost of operations (where inventories are not an income-determining factor).**—If an amount entered on line 2 includes an amount applicable to cost of operations, attach a schedule showing (1) salaries and wages and (2) other costs in detail.

If per unit retain allocations are included on line 4, Schedule A, identify this cost and the total amount in the Schedule "Other costs" to be attached to Form 1202.

**Schedule I—Special Deductions**  
(Numbered to correspond with line numbers in Schedule I)

**1. Exclusion of certain dividends.**—In general, no dividends received deduction (a) that is disposed of any share of stock (a) that is disposed of before the corporation has held it 15 days or less, or (b) to the extent the corporation is under an obligation to make corresponding payments with respect to substantially identical stock or other securities.

No dividends-received deduction is allowed under section 243 for a dividend on a DISC or former DISC (as defined in section 992(a)) to the extent the dividend is paid out of the corporation's accumulated DISC income, previously taxed income, or is a deemed distribution under section 950(b)(1).

**2. Limitation on dividends-received deduction.**—Line 2 may not exceed 85% of line 28, page 3. For this purpose, line 28, page 3, is to be computed without regard to any capital loss carryback to the taxable year under section 1212(a)(1).

In a year in which a net operating loss occurs, sections 243 and 246(d) provide that 85% limitation does not apply if the loss is treated by the dividends-received deduction.

**3. Deduction for dividends paid on certain preferred stock of public utilities.**—Section 243(b)(1) allows a deduction of 20.167% of the lesser of (1) dividends paid on the preferred stock during the taxable year, or (2) taxable income computed without regard to this deduction, in a year in which a net operating loss occurs. Section 172(d) provides that the deduction shall be computed without regard to section 247(a)(1)(B).

**Schedule J—Tax Computation**

**1. Surplus exemption and tax rates.**—In general, corporations are entitled to a surplus exemption of \$50,000. However, if the corporation is a controlled group which is to be divided equally un-

less the group consents to split up the

<b>FOR CALENDAR YEAR</b>							
<b><big>1120L</big></b>		<b>U.S. Life Insurance Company Income Tax Return</b>					
<small>Form Department of the Treasury Internal Revenue Service</small>							
<b>Name</b>		<b>A Employer identification number</b>					
		<b>B Date and place incorporated</b>					
<b>Please type or print</b>							
<b>Number and street</b>							
<b>City or town, State, and ZIP code</b>							
<b>C Check if—</b>		<b>D Were you a member of a controlled group subject to the provisions of Section 1551?</b>					
<input type="checkbox"/> Legal reserve company—I so, check Type of company— <input type="checkbox"/> Stock <input type="checkbox"/> Mutual Principal business— <input type="checkbox"/> Life insurance <input type="checkbox"/> Health and accident insurance		If answer was "Yes," check type of relationship: (a) Parent subsidiary <input type="checkbox"/> (b) Brother sister <input type="checkbox"/> (c) Combination of (a) and (b). <input type="checkbox"/>					
<input type="checkbox"/> Fraternal or assessment association		(See section 1553)					
<input type="checkbox"/> Buial or other insurance company							
<b>PART II TAXABLE INCOME</b>							
<b>1 (a) Taxable investment income (Schedule C)</b>		<b>1(a)</b>					
<b>(b) Gain from operations (Schedule E) (If a loss, enter zero).</b>		<b>1(b)</b>					
<b>(c) The smaller of (a) or (b)</b>				<b>1(c)</b>			
<b>2 50% of any excess of 1(b) over 1(c)</b>				<b>2</b>			
<b>3 Amount subtracted from policyholders' surplus account (Schedule G, line 5)</b>				<b>3</b>			
<b>4 Life insurance company taxable income (total of lines 1(c), 2, and 3)</b>				<b>4</b>			
<b>5 Enter line 4 or \$25,000, whichever is less (members of a controlled group, see instructions)</b>				<b>5</b>			
<b>6 Line 4 less line 5</b>				<b>6</b>			
<b>7 Enter line 6 or \$25,000, whichever is less (members of a controlled group, see instructions)</b>				<b>7</b>			
<b>8 Line 6 less line 7</b>				<b>8</b>			
<b>9 20% of line 5</b>				<b>9</b>			
<b>10 25% of line 7</b>				<b>10</b>			
<b>11 48% of line 8</b>				<b>11</b>			
<b>12 Total of lines 9, 10, and 11</b>				<b>12</b>			
<b>13 Income tax—the lesser of line 12 (above) or line 26 of Schedule D (Form 1120L)</b>				<b>13</b>			
<b>14 Less:</b>				<b>14(a)</b>			
<b>(a) Foreign tax credit (attach Form 1118)</b>				<b>14(b)</b>			
<b>(b) Investment credit (attach Form 3468)</b>				<b>14(c)</b>			
<b>(c) Work incentive (WIN) credit (attach form 4374)</b>				<b>14(d)</b>			
<b>(d) New jobs credit (attach Form 5894)</b>							
<b>15 Total of lines 14(a), (b), (c), and (d)</b>				<b>15</b>			
<b>16 Balance of tax (line 13 less line 15)</b>				<b>16</b>			
<b>17 Foreign corporations—tax on income net connected with U.S. business (see Tax Computation Instructions)</b>				<b>17</b>			
<b>18 Tax from recomputing a prior year investment credit (attach Form 4255)</b>				<b>18</b>			
<b>19 Tax from recomputing a prior year WIN credit (see instructions)—attach computation</b>				<b>19</b>			
<b>20 Minimum tax on tax preference items (see instructions)—attach Form 4626</b>				<b>20</b>			
<b>21 Total tax (add lines 16 through 20)</b>				<b>21</b>			
<b>22 Credits:</b>				<b>22(a)</b>			
<b>(a) Overpayment from 1977 allowed as a credit</b>				<b>22(b)</b>			
<b>(b) 1978 estimated tax payments</b>				<b>22(c)</b>			
<b>(c) Less refund or 1978 estimated tax applied for on Form 4466.</b>				<b>22(e)</b>			
<b>(d) Tax deposited with Form 7004</b>				<b>22(f)</b>			
<b>(e) Tax deposited with Form 7005 (attach copy)</b>				<b>22(g)</b>			
<b>(f) Credit from regulated investment companies (attach Form 2439)</b>				<b>22(h)</b>			
<b>(g) U.S. tax on special fuels, nonhighway gas and lubricating oil (attach Form 4138)</b>							
<b>(h) U.S. income tax paid or withheld at source</b>							
<b>23 TAX DUE (line 21 less line 22); See instruction F for depositary method of payment</b>				<b>Refunded</b>			
<b>24 OVERPAYMENT (line 22 less line 21)</b>				<b>23</b>			
<b>25 Enter amount of line 24 you want credited to 1979 estimated tax</b>				<b>24</b>			
<b>26 Refund or credit carryover (if applicable, attach explanation of how it applies to your return, and complete "Declaration of preparer (other than taxpayer)" is based on all information of which the preparer has any knowledge.)</b>				<b>25</b>			
<b>Signature of officer</b>		<b>Date</b>		<b>Preparer's signature</b>		<b>E I No.</b>	
						<b>Date</b>	
<b>Check if self-employed</b>				<b>Preparer's social security no.</b>		<b>Employed</b>	

Please sign here \_\_\_\_\_  
The undersigned hereby declares under penalty of perjury that he/she is duly licensed by his/her state to prepare federal income tax returns, and completes "Declaration of preparer (other than taxpayer)" is based on all information of which the preparer has any knowledge.  
Date \_\_\_\_\_

**Module A** INVESTMENT YIELD (See instructions)

1. Interest:		2. Accrual of dividend	3. Amortization of premium	4. Total for line 1, column 1 plus column 2
(a) Wholly exempt obligations (attach schedule)				
(b) U.S. obligations and U.S. instrumentalities				
(c) Loans, notes, mortgages, bank deposits, bonds, debentures, etc.				
(d) Totals				
<b>2 Dividends (see instructions):</b>				
(a) Domestic corporations subject to 85% deduction				
(b) Certain preferred stock of public utilities				
(c) Foreign corporations subject to 85% deduction				
(d) Qualifying dividends received from affiliated groups and subject to the 100% deduction (section 243(a)(3))				
(e) Other (attach schedule)				
3 Gross rents (attach schedule)				
4 Gross royalties (attach schedule)				
5 Leases, terminations, etc.				
6 Net short-term capital gain reduced by any net long-term capital loss (Schedule D (Form 1120L), line 10)				
7 Gross income from trade or business other than insurance business (attach schedule). (Also include amount from Schedule D (Form 1120L), line 30(b))				
8 GROSS INVESTMENT INCOME (add lines 1(d), through 7)				
<b>9 Investment expenses (attach schedule) (see Schedule H)</b>				
10 Real estate expenses (attach schedule)				
11 Depreciation (attach Form 4562)				
12 Depletion (attach schedule)				
13 Trade or business deductions as provided in section 804(c)(5) (attach schedule)				
14 Total deductions (add lines 9 through 13)				
15 INVESTMENT YIELD (line 8 less line 14)				

PART I—POLICY AND OTHER CONTRACT LIABILITY REQUIREMENTS (Section 805(a))			
(See instructions)			
1. Beginning of taxable year	2. End of taxable year	3. Mean of column 1 and column 2*	4. Total for line 1, column 1 plus column 2*
1 Adjusted life insurance reserves (from Part VI)			
2 Multiplied by the adjusted reserves rate (lesser of lines 1 or 7, Part III)			
3 Pension plan reserves (Part V, line 6, column 7)			
4 Multiplied by the current earnings rate (Part III, line 1)			
5 Interest paid (from Part VII)			
6 Policy and other contract liability requirements (add lines 2, 4 and 5)			

PART II—ASSETS (Section 805(b)(4))			
(See instructions)			
1. Real estate	2. Without service fees	3. With service fees	4. Total for line 1, column 1 plus column 2
1 Real estate			
2 Mortgages:			
3 Collateral loans			
4 Policy loans, including premium notes			
5 Corporate bonds			
6 Stocks			
7 Government obligations, etc. (attach schedule)			
8 Bank deposits, cash, etc.			
9 Other assets (attach schedule)			
10 Totals			

\*Adjusted under section 805(a) (see instructions—attach schedule)



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**PART IV—AVERAGE INTEREST RATE ASSUMED (Section 805(c)(2))**

1. Nature of reserve (life, annuity, etc.)	2. Assumed mortality rate (see instructions)	3. Assumed interest rate (see instructions)	4. Amount of reserve (see instructions)	5. Amount of reserve (see instructions)	6. Amount of reserve (see instructions)	7. Mean of reserve (see instructions)	8. Column 3 (see instructions)
1							
2							
3							
4							
5 Totals							
6 Average rate of interest assumed in computing life insurance reserves (total of column 8 divided by total of column 7)							

\*See instructions for section 805(b) and section 818(c) adjustments. \*\*Adjusted under section 805(a) (attach schedule)

**PART V—PENSION PLAN RESERVES (Section 805(d))**

1 Section 805(d)(1) reserves	
2 Section 805(d)(2) reserves	
3 Section 805(d)(3) reserves	
4 Section 805(d)(4) reserves	
5 Section 805(d)(5) reserves	
6 Totals	

**PART VI—ADJUSTED LIFE INSURANCE RESERVES (Section 805(c)(1))**

1 Mean of the reserves (Part IV, line 5, column 7)	
2 (a) . . . . .	100%
(b) Plus 10 times the average rate of interest assumed (Part IV, line 6)	
(c) Total (add lines 2(a) and 2(b))	
(d) 10 times the adjusted reserves rate (Part I, line 2)	
(e) Line (c) less line (d)	
3 Adjusted life insurance reserves (line 1 multiplied by line 2(e)). Enter here and on Schedule B, Part I, line 1.	

**PART VII—INTEREST PAID (Section 805(e))**

1 Interest on indebtedness	
2 Amounts in the nature of interest	
3 Discount on prepaid premiums	
4 Interest on certain special contingency reserves	
5 Total interest paid (add lines 1 through 4). Enter here and on Schedule B, Part I, line 5	

**Schedule C TAXABLE INVESTMENT INCOME (See instructions)**

1 Policyholder's share (Section 804) (Schedule B, Part I, line 6 divided by Schedule A, line 15) but not to exceed 100%	
2 Company's share	
3 Total	100%

4 Interest wholly tax exempt (Schedule A, line 1(c), column 4—see instructions)

5 (a) Dividends from Schedule A, line 2(a)	
(b) Dividends from Schedule A, line 2(b)	
(c) Dividends from Schedule A, line 2(c)	
(d) Dividends from Schedule A, line 2(d)	
(e) Dividends from Schedule A, line 2(e)	
6 Other items of investment yield (Schedule A, line 15 less lines 4 and 5 above)	
7 Net capital gain (Schedule D (Form 1120L), line 11)	
8 Totals (add lines 4 through 7)	

9 Interest wholly tax-exempt (line 4, column 3)

10 Dividends received deduction (affiliated groups—see instructions):	
(a) 85% of line 8(a), column 3	
(b) 60 208% of line 5(b), column 3	
(c) 85% of line 5(c), column 3	
(d) Total, but not to exceed 85% of taxable investment income (line 13) computed without regard to this deduction	

11 Small business deduction (10% of line 15, Schedule A, not to exceed \$25,000; members of a controlled group, see instructions)

12 Total (add lines 9, 10(d), and 11)

13 Taxable investment income (line 8 less line 12, but not less than zero). Enter here and on line 1(a), page 1.

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**Schedule E GAIN OR (LOSS) FROM OPERATIONS (See instructions)**

1 Policyholder's share (Section 809) (Schedule E-1, line 6 divided by Schedule A, line 15), but not to exceed 100%	
2 Company's share	
3 Total	100%

4 Interest wholly tax exempt (Schedule A, line 1(a), column 4—see instructions)

5 (a) Dividends from Schedule A, line 2(a)	
(b) Dividends from Schedule A, line 2(b)	
(c) Dividends from Schedule A, line 2(c)	
(d) Dividends from Schedule A, line 2(d)	
(e) Dividends from Schedule A, line 2(e)	
6 Other items of investment yield (Schedule A, line 15 less 4 and 5 above)	
7 Totals (add lines 4 through 6)	
8 Net capital gain (Schedule D (Form 1120L), line 11)	
9 Gross premiums	
10 (a) Decrease in reserves (after reduction for investment yield under section 810(b)) (attach schedule)	
(b) Decrease in section 811(b)(2) reserves (see Schedule E-2, Part II, line 3)	
11 Other amounts (attach schedule) (Also include amount from Schedule D (Form 1120L), line 30 (c))	
12 Total (add lines 7 through 11)	

**DEDUCTIONS**

13 Death benefits, etc.	
14 Increase in reserves (after reduction for investment yield under section 810(b)) (attach schedule)	
15 Assumption by another person of liabilities under insurance, etc., contracts	
16 Interest wholly tax exempt (line 4, column 3)	
17 Investment expenses, etc., not deducted on Schedule A (attach schedule)	
18 Small business deduction (Schedule C, line 11)	
19 Other deductions not deducted on Schedule A (attach schedule)	
20 Total (add lines 13 through 19)	
21 Dividends received deduction (affiliated groups, see instructions):	
(a) 85% of line 5(c), column 3	
(b) 60 208% of line 5(b), column 3	
(c) 85% of line 5(c), column 3	
(d) Total, but not to exceed 85% of any excess of line 12 over line 20	

22 Operations loss deduction (attach schedule)

23 Tentative deduction (add lines 20 through 22)

24 Plus: (a) Dividends to policyholders (Schedule E-2, Part I, line 7)

(b) Accident and health, and group life insurance (Schedule E-2, Part I, line 9)

(c) Certain nonparticipating contracts (Schedule E-2, Part I, line 11)

25 Total deductions (line 23 plus line 24)

26 Gain or (loss) from operations (line 12 less line 25). Enter here and on page 1, line 1(b)

**Schedule E-1 REQUIRED INTEREST (Section 809(a)(2))**

1 Rate	2 Beginning of year interest	3 End of taxable year interest	4 Mean of columns 2 and 3	5 Column 1 times column 4
1 Sec. 810(c)(1) reserves (from Schedule B, Part IV, line 5, column 8 and Schedule B, Part V, line 6, column 8)				
2 Sec. 810(c)(3) reserves				
3 Sec. 810(c)(4) reserves				
4 Sec. 810(c)(5) reserves				
5 Sec. 810(c)(6) reserves				
6 Required interest (add lines 1 through 5)				

**Schedule E-2 PART I—LIMITATION ON DEDUCTION (SCHEDULE E, LINE 24) (Section 809(f))**

1 Statutory amount	250,000
2 (a) Schedule E, line 12	
(b) Less: Tentative deduction (Schedule E, line 23)	
3 Gain from operations without regard to Schedule E, line 24 (line 2(a) minus line 2(b))	
4 Less: Taxable investment income (Schedule C, line 13)	
5 Excess of line 3 over line 4 (but not less than zero)	
6 Maximum possible deduction for Schedule E, line 24 (line 1 plus line 5)	
7 Deduction for dividends to policyholders (Schedule E-2, Part II) (not in excess of line 6)	
8 Maximum deduction for accident and health, and group life insurance (line 6 less line 7)	
9 Deduction for accident and health, and group life insurance (Schedule E-2, Part III) (not in excess of line 8)	
10 Maximum deduction for certain nonparticipating contracts (line 8 less line 9)	
11 Deduction for certain nonparticipating contracts (Schedule E-2, Part IV, line 3) (not in excess of line 10)	

**PART II--DIVIDENDS TO POLICYHOLDERS (Section 809(d)(3))**

- [illegible]

OR

- (b) Decreased by the excess of (i) over (ii):
- |  | (i) Reserve at the end of the preceding taxable year | (ii) Reserve at the end of the taxable year |
|--|--|---|
| 1. Reserve at the end of the taxable year  |  |   |
| 2. If greater than zero, enter on Schedule E-2, line 7; if less than zero, enter on Schedule E, line 10(b) |  |   |

**PART III—CERTAIN ACCIDENT AND HEALTH INSURANCE AND GROUP LIFE INSURANCE (Section 809(d)(6))**

- |  |  |  |
|--|--|--|
| 1  | Amount of deductions allowed or allowable in prior years under section 809(d)(6)   |  |
| 2  | Net premiums   |  |
| 3  | Line 2 multiplied by 2%  |  |
| 4  | Tentative deduction—the lesser of line 3 or (50% of line 2, less amount on line 1) |  |
| <b>ADDITIONAL INFORMATION</b>                                    |  |  |
| <b>ADDITIONAL NONPARTICIPATING CONTRACTS (Section 809(d)(5))</b> |  |  |

PART IV—CERTAIN NON-ARTICULATING CONTINGENT (SOS(0/0))

- |   |  |     |
|---|--|-----|
| 1 | (a) Residue at the end of the taxable year                     |     |
|   | (b) Less: Reserve at the beginning of the taxable year         |     |
|   | (c) Increase (if the difference is less than zero, enter zero) |     |
|   | (d) Multiplied by:   | 10% |
| 2 | (a) Net premiums   |     |
|   | (b) Multiplied by:   | 3%  |
| 3 | Tentative deduction—the greater of line 1 or line 2            |     |

**Schedule F** **SHAREHOLDER'S SURPLUS ACCOUNT (Section 81S(b))**

- 1 (a) Balance at the end of the preceding year.
- (b) Transfers under section 815(d)(1) and (4) for preceding year.
- (c) Balance at the beginning of the taxable year (line 1(a) plus line 1(b)).
- 2 Life insurance company taxable income computed without regard to section 802(b)(3) (line 1(c), page 1, plus line 2, page 1).
- 3 Net capital gain income reduced by any income on line 2.
- 4 Dividends received deduction (affiliated groups—see instructions):
  - (a) 85% of Schedule A, line 2(a).
  - (b) 60.208% of Schedule A, line 2(b).
  - (c) 85% of Schedule A, line 2(c).
- (d) Total, but not more than 85% of line 20 subtracted from Schedule E, line 12.
- 5 Interest wholly exempt from tax (Schedule A, line 1(a), column 4).
- 6 Small business deduction (Schedule C, line 11).
- 7 Total (add lines 1 through 6).
- 8 Less: Tax liability for 1978 under section 802(a) (computed without regard to section 802(b)(3)) (income tax computed on line 2 as if line 2 was total life insurance company taxable income).
- 9 Excess of line 7 over line 8.
- 10 Less: Distributions in 1978 (not greater than line 9).

**1** Balance as of the end of the taxable year

- |     |   |  |
|-----|---|--|
| 1   | Balance as of the beginning of the taxable year   |  |
| 2   | Add:  |  |
| (a) | 50% of any excess of the gain from operations over the taxable investment income (page 1, line 2) |  |
| (b) | The deduction for certain nonparticipating contracts (Schedule E, line 24(c))                     |  |
| (c) | The deduction for accident and health, and group life insurance (Schedule E, line 24(b))          |  |
| 3   | Total (line 1 plus line 2)  |  |
| 4   | (a) Actual distributions only in excess of Schedule F, line 9                                     |  |
| (b) | Tax increase on line 4(a) by reason of section 802(b)(3)  |  |
| (c) | Subtractions under section 815(c)(1) and (4) (see instructions)                                   |  |
| (d) | Tax increase on line 4(c) by reason of section 802(b)(3)  |  |
| (e) | Subtraction required under section 815(d)(2) due to termination                                   |  |
| 5   | Total of lines 4(a) through (e) (not to exceed line 3). Enter here and on page 1, line 3          |  |
| 6   | Balance at the end of the year (line 3 less line 5)   |  |

**Schedule H** **LIMITATION OF INVESTMENT EXPENSE DEDUCTION**

- |                                 |   |
|---------------------------------|---|
| <b>Schedule B</b>               | (You need not fill in Schedule H unless you claim a deduction for general expenses allocated to investment income.) |
| <b>Part I Investment Income</b> |   |
| <b>1</b>                        | Mean of the assets for the taxable year (Schedule B, Part II, line 10, column 3) . . . . .                          |
| <b>2</b>                        | One-fourth of 1% of the mean of the assets (line 1) . . . . .   |
| <b>3</b>                        | Mortgage service fees . . . . .   |
| <b>4</b>                        | (a) Investment yield computed without regard to investment expenses . . . . .                                       |
|                                 | (i) Three and three-fourths percent of line 1 . . . . .   |
|                                 | (ii) Line (i) less line (iii) . . . . .   |
|                                 | (iv) One-fourth of line (iii) . . . . .   |
|                                 | (v) Mortgage service fees (line 3) . . . . .  |
|                                 | (vi) Line (iv) less line (v) . . . . .  |
| <b>5</b>                        | Dine fourth of 1% of the amount on Schedule B, Part II, line 2(c), column 3 . . . . .                               |
| <b>6</b>                        | The greater of (a)(vi) or (b) . . . . .   |

[illegible]

**S** Limit on deduction for investment expenses (add lines 2 through 4) . . . .

[illegible]

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- Additional Information Required**
- F** Do you have any variable annuity contracts outstanding?
- G** Do you have any deferred asset accounts?
- H** If "Yes," see instruction P
- H** Amount of total insurance/liabilities (see Schedule
- K** (1) Did you at the end of the taxable year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation (for rules of attribution, see section 267(c)?
- L** If "Yes," attach a schedule showing
- M** (a) name, address, and identifying number;
- N** (b) percentage owned; and
- O** (c) taxable income or (loss) from line 28, page 1, Form 1120 of such corporation for the taxable year ending with or within your taxable year.
- P** (2) Did any individual, partnership, corporation, estate, or trust at the end of the taxable year own, directly or indirectly, 50% or more of your voting stock (for rules of attribution, see section 267(c)?
- Q** If "Yes,"
- R** (a) Attach a schedule showing name, address, and identifying number.
- R** (b) Enter percentage owned
- S** (c) Was the owner of such voting stock a person other than a U.S. person?
- T** If "Yes," enter owner's country (See instruction R)
- U** Did you previously file a copy of the annual statement for the preceding years as required by General Instruction K?
- V** If "Yes," name the Internal Revenue Service Center in which filed
- W** (1) No, explain why the statement is not attached.
- X** (2) Did you claim a deduction for expenses connected with:
- Y** (a) Entertainment facility (boat, resort, ranch, etc.)?
- Z** (b) Living accommodation (except for employees on business)?
- AA** (c) Employee's families at conventions or meetings?
- AB** If "Yes," were any of these conventions or meetings outside the United States or its possessions?
- AC** (d) Employee or family vacations not reported on Form W-2?
- AD** (2) Enter total amount claimed on Form 1120L for entertainment, entertainment facilities, gifts, travel, and conventions of the type for which substantiation is required under section 274(d) (see instruction W)
- AE** (3) Did you file all required Forms 1087, 1096, and 1099?
- AF** (4) Were you a U.S. shareholder of any controlled foreign corporation (see sections 951 and 957)?
- AG** If "Yes," attach Form 9546 for each such corporation.
- AH** Enter the number of defined benefit and defined contribution plans you have for your employees (see instruction I)
- AI** Did you, at any time during the taxable year, have an interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (see instruction T)?
- AJ** Were you the grantor of or transferor to a foreign trust during any taxable year, which foreign trust was on being during the current taxable year, whether or not you have any beneficial interest in such trust? If "Yes," you may be required to file Forms 3520, 3520a, or 926.



**Schedule K ASSETS (Section 805(b)(4)) AND TOTAL INSURANCE LIABILITIES (Section 819(a)) (See instructions)**

Line	1. Section	2. Major page 3	3. Description of item	General account		5. Separate account
				4. General account		
<b>Assets—section 805(b)(4) (Schedule B, Part II, line 10, column 2) . . . . .</b>						
<b>Total Insurance Liabilities (Section 819(a)) . . . . .</b>						
<b>Liabilities:</b>						
1	801(c)(1)	Line 1	Reserve for life policies and contracts			
2	801(c)(2)	Line 2	Subtract: Deficiency reserves . . . . .			
3	810(c)(3)	Line 3	Reserve for accident and health policies			
4	810(c)(3)	Line 4.1	Subtract: Reserves for rate credits . . . . .			
5	810(c)(3)	Line 4.2	Supplementary contracts without life contingencies			
6	810(c)(4)	Line 5	Policy and contract claims, life			
7	810(c)(5)	Line 9	Subtract: Resisted life claims . . . . .			
8	810(c)(5)	Line 10	Policy and contract claims, accident and health . . . . .			
9	810(c)(6)		Premiums and annuity considerations received in advance			
10	810(c)(3)		Subtract: Discount . . . . .			
11	810(c)(3)		Liability for premium deposits and other funds . . . . .			
12	810(c)(3)		<b>Other:</b>			
13	801(c)(3)		Miscellaneous insurance liabilities, not included above, such as—			
14	801(c)(3)		(a) Special contingency reserves group life, health and accident insurance . . . . .			
			(b) Amounts held at interest under insurance, annuity or deposit administration contracts or pension trust side funds . . . . .			
			(c) Funds held to provide for future conversion of policies or contracts . . . . .			
			(d) Amounts held pending issue of contracts supplementary to insurance or annuity contracts . . . . .			
			(e) Other insurance liabilities or adjustments . . . . .			
			(f) Reserves for mortality fluctuations . . . . .			
			(g) Liability for insurance or annuity benefits for employees and agents . . . . .			
			(h) Other items (please describe): . . . . .			
<b>Totals . . . . .</b>						
15	<b>Total general account insurance liabilities. Enter total from line 15, column 4, here and in question H. See instructions . . . . .</b>					
16						

\*1978 Annual Statement Form approved by the National Association of Insurance Commissioners. References in column 2 apply to the general account only.

## Internal Revenue Service

## 878 Instructions to

70711 10101

# Company Income Tax

**המחיר**

## General Instructions

domestic life insurance company and  
every foreign corporation carrying on

with respect to its U.S. business it would

ing life insurance and annuity contracts, either separately or combined with

cancelable contracts of health and accident insurance and of which the life

sums and unpaid losses (whether or not ascertained) on noncancellable

in life insurance reserves, comprise more than 50% of its total reserves adjusted

by section 801(d), must file a return  
Form 1120L.

able" includes guaranteed renewa

under which the company reserves the right to adjust premium rates by class

type of policy involved. The terms "insurance reserves" and "total reserves"

A burial or funeral benefit insurance

formance of funeral services is taxable

should file Form 1020, U.S. Mutual Insurance Company Income Tax Return.

If a receiver, trustee in bankruptcy,

to, all or substantially all the property or business of a corporation, whether or not

ated, he must make a return in the same manner and form as would be required.

If a life insurance company does

Insurance reserves under a reinsurance agreement with another company.

purpose of winding up and liquidating affairs. It will not be taxable as a

data of such agreement.

be filed for calendar year 1978. (Section 843.) If the corporation ceases to ex-

form.



4.—Enter all interest for the taxable year on special contracts reinsurance contracts, including interest on contracts with accident insurance which are established and maintained for the provision of insurance on relief lives, for premium stabilization, or for combination thereof.

(3) include gross-up for taxes deemed paid under sections 902 and 960.

gross investment income, as defined in section 804(b), less the deductions el-



## SCHEDULE C—Taxable Investment Income

General.—The policyholders' share of each item of investment yield (including tax-exempt interest, and dividends received) of any life insurance company is included in taxable investment income.

1.—Enter the percentage that represents the policyholders' share of each item of investment yield. This percentage is determined by dividing the policy and dividend amounts received by the total investment income computed with- (Schedule A), except that if the amount of the policy and other contract liability is not included in the computation, the policyholders' share of the investment income must be 100%. See General instructions N.

2.—Enter the percentage that represents the life insurance company's share of each item of investment yield. This percentage is equal to the difference between 100% and the percentage on line 1.

4.—7.—Enter on line 4, column 1, the amount of interest which is wholly ex- (Schedule A), except that if the amount of the policy and other contract liability is not included in the computation, the policyholders' share of the investment income must be 100%. See General instructions N.

11.—Small business deduction.—Enter the amount of the deduction for the year (Schedule A) but not to exceed \$25,000. Members of certain affiliated groups are limited to one \$25,000 limitation. (Section 243.)

12.—Enter the amount of each item of investment yield (including tax-exempt interest and dividends received) of any life insurance company set aside for policyholders' share of investment income.

13.—Enter the percentage which represents the share of any item of investment yield which is set aside for policyholders' share of investment income. This percentage is determined by dividing the amount of the item of investment yield by the total investment yield (Schedule A), except that if the amount of the required interest exceeds the investment yield, then the percentage is 100%. See General instructions N.

14.—Enter the percentage which represents the life insurance company's share of each item of investment yield. This percentage is equal to the difference between 100% and the percentage on line 1.

15.—Enter on line 4, column 1, the amount of the investment yield (including tax-exempt interest and dividends received) of any life insurance company set aside for policyholders' share of investment income.

16.—Enter the percentage which represents the share of any item of investment yield which is set aside for policyholders' share of investment income. This percentage is determined by dividing the amount of the item of investment yield by the total investment yield (Schedule A), except that if the amount of the required interest exceeds the investment yield, then the percentage is 100%. See General instructions N.

17.—Enter the percentage which represents the life insurance company's share of each item of investment yield. This percentage is equal to the difference between 100% and the percentage on line 1.

Also enter on this line 100% of the company's share of dividends received from operations (including interest, dividends, and consideration from assuming liabilities, and consideration from assets of the company) on insurance and investment contracts (line 10). Enter the amount of these items on line 10.

(d) Total dividends received deduction.—The total of the dividends received deduction cannot exceed 85% of taxable investment income computed without regard to this deduction. (Section 243.)

The limitation for a member of an electing affiliated group is 85% of taxable investment income computed without regard to this deduction. (Section 243.)

10(a) above) of the qualifying dividends received from the same group since these dividends are not subject to the 85% limitation.

In general, no dividends received deduction will be allowed on any share of investment income received from a corporation held 15 days or less, or (b) to the extent the corporation is under an obligation to make corresponding payments to the stockholders.

11.—Small business deduction.—Enter the amount of the deduction for the year (Schedule A) but not to exceed \$25,000. Members of certain affiliated groups are limited to one \$25,000 limitation. (Section 243.)

12.—Enter the amount of each item of investment yield (including tax-exempt interest and dividends received) of any life insurance company set aside for policyholders' share of investment income.

13.—Enter the percentage which represents the share of any item of investment yield which is set aside for policyholders' share of investment income. This percentage is determined by dividing the amount of the item of investment yield by the total investment yield (Schedule A), except that if the amount of the required interest exceeds the investment yield, then the percentage is 100%. See General instructions N.

14.—Enter the percentage which represents the life insurance company's share of each item of investment yield. This percentage is equal to the difference between 100% and the percentage on line 1.

15.—Enter on line 4, column 1, the amount of the investment yield (including tax-exempt interest and dividends received) of any life insurance company set aside for policyholders' share of investment income.

16.—Enter the percentage which represents the share of any item of investment yield which is set aside for policyholders' share of investment income. This percentage is determined by dividing the amount of the item of investment yield by the total investment yield (Schedule A), except that if the amount of the required interest exceeds the investment yield, then the percentage is 100%. See General instructions N.

17.—Enter the percentage which represents the life insurance company's share of each item of investment yield. This percentage is equal to the difference between 100% and the percentage on line 1.

18.—Enter the percentage which represents the share of any item of investment yield which is set aside for policyholders' share of investment income. This percentage is determined by dividing the amount of the item of investment yield by the total investment yield (Schedule A), except that if the amount of the required interest exceeds the investment yield, then the percentage is 100%. See General instructions N.

9.—Enter the gross amount of premiums and other consideration (including interest, dividends, and consideration from assuming liabilities, and consideration from assets of the company) on insurance and investment contracts (line 10). Enter the amount of these items on line 10.

10.—Enter the gross amount of premiums and other consideration (including interest, dividends, and consideration from assuming liabilities, and consideration from assets of the company) on insurance and investment contracts (line 10). Enter the amount of these items on line 10.

11.—Enter the gross amount of premiums and other consideration (including interest, dividends, and consideration from assuming liabilities, and consideration from assets of the company) on insurance and investment contracts (line 10). Enter the amount of these items on line 10.

12.—Enter the gross amount of premiums and other consideration (including interest, dividends, and consideration from assuming liabilities, and consideration from assets of the company) on insurance and investment contracts (line 10). Enter the amount of these items on line 10.

13.—Enter the gross amount of premiums and other consideration (including interest, dividends, and consideration from assuming liabilities, and consideration from assets of the company) on insurance and investment contracts (line 10). Enter the amount of these items on line 10.

14.—Enter the gross amount of premiums and other consideration (including interest, dividends, and consideration from assuming liabilities, and consideration from assets of the company) on insurance and investment contracts (line 10). Enter the amount of these items on line 10.

15.—Enter the gross amount of premiums and other consideration (including interest, dividends, and consideration from assuming liabilities, and consideration from assets of the company) on insurance and investment contracts (line 10). Enter the amount of these items on line 10.

16.—Enter the gross amount of premiums and other consideration (including interest, dividends, and consideration from assuming liabilities, and consideration from assets of the company) on insurance and investment contracts (line 10). Enter the amount of these items on line 10.

17.—Enter the gross amount of premiums and other consideration (including interest, dividends, and consideration from assuming liabilities, and consideration from assets of the company) on insurance and investment contracts (line 10). Enter the amount of these items on line 10.

18.—Enter the gross amount of premiums and other consideration (including interest, dividends, and consideration from assuming liabilities, and consideration from assets of the company) on insurance and investment contracts (line 10). Enter the amount of these items on line 10.

19.—Enter the gross amount of premiums and other consideration (including interest, dividends, and consideration from assuming liabilities, and consideration from assets of the company) on insurance and investment contracts (line 10). Enter the amount of these items on line 10.

20.—Enter the gross amount of premiums and other consideration (including interest, dividends, and consideration from assuming liabilities, and consideration from assets of the company) on insurance and investment contracts (line 10). Enter the amount of these items on line 10.

21.—Enter the gross amount of premiums and other consideration (including interest, dividends, and consideration from assuming liabilities, and consideration from assets of the company) on insurance and investment contracts (line 10). Enter the amount of these items on line 10.



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**SCHEDULE O**  
(Form 1120L)  
Disposals of the Treasury  
Investment Securities Division

**U.S. Life Insurance Company**  
**Sales or Exchanges of Property**

**1978**

Employer identification number

**Part I Capital Assets—Short-term capital gains and losses—Assets held one year or less**

a. Kind of property (if necessary, attach description)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price (less expense of sale)	e. Depreciation allowed (or allowable)	f. Cost or other basis	g. Gain or loss (d plus e less f)
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3 Net short-term capital gain or (loss) (total of column g). Enter here and on line 8.

Long-term capital gains and losses—Assets held more than one year (Use columns a through g except that columns a through k must be used for gains on assets whose F.M.V. on 12/31/58 exceeded the adjusted basis on that date.)

a. Kind of property (if necessary, attach description)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price (less expense of sale)	e. Depreciation allowed (or allowable)	f. Cost or other basis	g. Gain or loss (d plus e less f)
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3 Net long-term capital gain or (loss) (total of lines 5 and 6). Enter here and on line 9.

7 Net long-term capital gain or (loss) (total of lines 5 and 6). Enter here and on line 9.

Summary of Capital Gains and Losses

a. Net short-term capital gain or (loss) from line 3	b. Net long-term capital gain or (loss) from line 7	c. Net capital gain or (loss) from line 3 and line 7
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# 1120M

Form  
Department of the Treasury  
Individual Income Tax Return

## U.S. Mutual Insurance Company

### Income Tax Return

(For Mutual Companies Other Than Life and Certain Marine Insurance Companies and Other Than Firms  
Which Are Not Eligible for the Special Tax Treatment of Insurance Companies)

FOR CALENDAR  
YEAR

# 1978

A Employer identification number

Name \_\_\_\_\_

Number and street \_\_\_\_\_

City or town, State, and ZIP code \_\_\_\_\_

Did you previously submit a copy of the National Association of Insurance Commissioners' annual statement for the preceding year as required by General Instruction II? Yes ☐ No ☐

Does a copy of the 1978 National Association of Insurance Commissioners' annual statement accompany this return? Yes ☐ No ☐

If "No," explain why the statement is not attached \_\_\_\_\_

Did you at the end of the taxable year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) Yes ☐ No ☐

If "Yes," attach a schedule showing: (a) name, address, and identifying number; and (b) percentage owned. \_\_\_\_\_

1 Taxable investment income or (loss) (Schedule A) 1

2 Statutory underwriting income or (loss) (Schedule B) 2

3 Amounts subtracted from the Protection Against Loss Account (Schedule C, line 9(d)) 3

4 Total (add lines 1 through 3) 4

5 Less: Unused loss deduction (attach schedule) 5

6 Mutual insurance company taxable income 6

7 Enter the lesser of (a) or (b): (a) 20% of the first \$25,000 of taxable income on line 6, PLUS 22% of amount by which line 6 exceeds \$25,000; or (b) 44% of amount by which line 6 exceeds \$50,000—members of a controlled group, see instructions) 7

8 Surplus: 26% of [amount by which line 6 exceeds \$50,000—members of a controlled group, see instructions] and [amount \$ \_\_\_\_\_] to be included by reciprocal—see instructions 8

9 Total (line 7 plus line 8) 9

10 Alternative tax for certain small companies (Schedule A-2, line 6) 10

11 Income tax—line 9 or 10 above, or line 21 of separate Schedule D (Form 1120), whichever applies 11

12 (a) Foreign tax credit (attach Form 1118) 12a

(b) Investment credit (attach Form 3468) 12b

(c) New incentive (WIN) credit (attach Form 4874) 12c

(d) Tax deposited with Form 7004 12d

13 Total of lines 12(a), (b), (c), and (d) 13

14 Line 11 less line 13 14

15 Foreign Corporations—tax on income not connected with U.S. business (see instructions) 15

16 Tax from recomputing a prior year investment credit (attach Form 4255) 16

17 Tax from recomputing a prior year WIN credit (see instructions—attach computation) 17

18 Minimum tax on tax preference items (see instructions—attach Form 4626) 18

19 Total tax (add lines 14 through 18) 19

20 Credits: (a) Overpayment from 1977 allowed as a credit 20

(b) 1978 estimated tax payments 21

(c) Less refund of 1978 estimated tax applied for on Form 4466 22

(d) Tax deposited with Form 7004 23

(e) Credit from regulated investment companies (attach Form 2439) 24

(f) Credit by reciprocal for tax paid by attorney-in-fact under section 826(a) 25

(g) Other tax credits (see instructions) 26

21 TAX DUE (line 19 less line 20). See instruction G for depositary method of payment 21

22 OVERPAYMENT (line 20 less line 19) 22

23 Enter amount of line 22 you want credited to 1979 estimated tax 23

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

Signature of taxpayer \_\_\_\_\_ Title \_\_\_\_\_

Signature of preparer \_\_\_\_\_ Title \_\_\_\_\_

Preparer's social security no. \_\_\_\_\_ E.I. No. \_\_\_\_\_

Check if self-employed ☐ Date \_\_\_\_\_



## Page 3

**Schedule M-3** Other Capital Losses (See Instructions) (Capital assets sold or exchanged to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders)

1. Description of capital asset	2. Date acquired	3. Gross sales price	4. Cost or other basis	5. Expense for sale	6. Depreciation allowance (if allowable)	7. Loss (col. 4 plus col. 5 less sum of cols. 3 and 6)
1 Dividends and similar distributions paid to policyholders						
2 Losses paid						
3 Expenses paid						
4 Total of lines 1 through 3						
5 Interest received (Schedule A, line 1, col. 3, adjusted to cash method if on accrual method)						
6 Dividends received (Part I, Schedule E, adjusted to cash method if on accrual method)						
7 Lines 3 through 6 of Schedule A (adjusted to cash method if on accrual method)						
8 Net premiums received (adjusted to cash method if on accrual method)						
9 Excess (if any) of line 4 over the sum of lines 5 through 8						

10 Totals	Statutory Underwriting Income or (Loss)—Section 823
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Schedule B	Statutory underwriting income or (loss)	Section 642
1	Gross income (Schedule B-1, line 6)	
2	Less: Gross investment income (Schedule A, line 9)	
3	Deductions (Schedule B-1, line 26)	
4	Less: The sum of: (a) Schedule A, line 19	
	(b) Schedule A, line 21	
5	Line 2 less line 4	
6	Special deduction (Schedule B-2) (not to exceed line 5)	
7	Line 5 less line 6	
8	Protection against loss deduction (Schedule B-3)	
9	Statutory underwriting income or (loss) (line 7 less line 8)	

## Schedule B-1 Income and Deductions

GROSS INCOME	
1	Investment income—Section 832(b)(2): (a) Interest.
(b)	Dividends (Schedule E, Part I).
(c)	Rents (attach schedule).
2	Premiums earned—Section 832(b)(4).
3	Gain from sale or other disposition of capital assets—Section 832(b)(1)(B) (separate Schedule D from 1120).
4	Ordinary gain from Form 4797 (attach Form 4797) (Include all sections 1245 and 1250 etc. gains).
5	Other income—Section 832(b)(1)(C) (attach schedule).
6	Decrease in subscriber accounts—Section 832(b)(2)(B).
7	Gross income (add lines 1 through 5).

## DEDUCTIONS

15	Interest (excluded under section 1031)—Section 832(c)(7).	
16	Depreciation—Section 832(c)(9) (attach Form 4562).	
17	Depletion—Section 832(c)(8) (attach schedule).	
18	Contributions—Section 832(c)(9) (not over 5% of line 24 adjusted per instructions—attach schedule).	
19	Dividends paid or declared to policyholders—Section 832(c)(11).	
20	Increase in subscriber accounts—Section 823(b)(2)(A).	
21	(a) Pension, profit-sharing, etc. plans—Section 832(c)(10) (see instructions) (enter number of plans ▶ .....).	
	(b) Employee benefit programs—Section 832(c)(10) (see instructions).	
22	Other deductions—Section 832(c)(10) (attach schedule).	
23	Total deductions on lines 7 through 22.	
24	Line 6 less line 23.	
25	Dividends received deduction—Section 832(c)(12) (Schedule E, Part II, line 6—see instructions for 85% limitation).	
26	Dividends received deduction—Section 832(c)(12) (Schedule E, Part II, line 6—see instructions for 85% limitation).	

Form 1120M (1978) **Schedule B-2** Special Deduction—Section 823(c)

1	Amount from Schedule A, line 7	
2	Premiums (see instructions)	
3	Total (add lines 1 and 2)	
4	If line 3 is not more than \$500,000, enter \$5,000. If line 3 is less than \$1,100,000, but in excess of \$500,000, enter 1% of the difference between \$1,100,000 and the amount on line 3	
<b>Schedule B-3 Protection Against Loss Deduction—Section 824(a)</b>		
1	Losses incurred on insurance contracts (Schedule B-1, line 11)	
2	1% of line 1	
3	25% of underwriting gain on Schedule B, line 7	
4	Concentrated risks (a) Amount of Schedule B-1, line 2	
	(b) Amount of line (a) attributable to insuring against losses arising, either in any one State or within 200 miles of any fixed point selected by the taxpayer, from windstorm, hail, flood, earthquake, or similar hazards	
(c)	Divide (b) by (e)	%
(d)	Less	40%
(e)	Premium percentage which exceeds 40%	%
(f)	Schedule B, line 7, multiplied by (e)	%
Total (add lines 2 through 4)		

**Schedule C**

LOSS ACCOUNT		INCURRED	ENDING BALANCE	
1	Balance at beginning of year			
2	Additions (Schedule B-3)			
3	Totals (add lines 1 and 2)			
<b>SUBTRACTIONS:</b>				
4	Section 824(d)(1)(A)			
5	Section 824(d)(1)(B)			
6	Section 824(d)(1)(C)			
7	Section 824(d)(1)(D)			
8	Section 824(d)(1)(E)			
9	Totals (add lines 4 through 8)			
Balances at end of year (line 3 less line 9)				

**Schedule E** Dividends (See instructions)

PART I—Income		PART II—Deductions	
1	Certain domestic corporations	1	85% of Part I, line 1
2	Certain public utility corporations	2	60.208% of Part I, line 2
3	Certain foreign corporations	3	85% (see instr. for 100%) of Part I, line 3
4	Certain affiliated groups	4	Total (see instructions for 85% limitation)
5	Other corporations (attach schedule)	5	100% of Part I, line 4
6	Total (add lines 1 through 5)	6	Total (line 4 plus line 5)

**Schedule F Compensation of Officers (See instructions. Attach schedule.)**

	Yes	No
G Were you a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957).		
H (1) If "yes," attach Form 3646 for each such corporation.		
(1) Did you claim a deduction for expenses connected with:		
(a) Entertainment facility (boat, resort, ranch, etc.)?		
(b) Living accommodations (except for employees on business)?		
(c) Employees' families at conventions or meetings?		
If "yes," were any of these conventions or meetings outside the United States or its possessions?		
(d) Employee on any vacations not reported on Form W-2?		
(2) Did you claim a deduction for entertainment, gifts, travel, and conventions of the type for which substantiation is required under section 274(d) of the Internal Revenue Code. (See instruction O.)		
I Are you required to prorate your surtax exemption under section 1561 because of an election under section 243(b)?		
J Did you file all required Forms 1096, 1096, and 1099?		
K Did you, at any time during the taxable year, have an interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (see instruction M)?		
L Were you the grantor of, or transferor to, a foreign trust during any taxable year, which foreign trust was in being during the current taxable year, whether or not you have any beneficial interest in such trust? If "yes," you may be required to file Form 3520, 3520-A, or 926.		

# 1978

Department of the Treasury  
Internal Revenue Service

## Instructions for Form 1120M

### U.S. Mutual Insurance Company Income Tax Return

(Reference is to the Internal Revenue Code.)

#### General Instructions

**A. Who must file Form 1120M.** Every domestic mutual insurance company must file Form 1120M, and a trust to tax under section 802 and other than a firm, flood or marine insurance company subject to tax under section 831 and every foreign corporation carrying on an insurance business within the U.S. (if with respect to its U.S. business it would qualify as a mutual insurance company subject to tax under section 821) must file Form 1120M.

**Exceptions.—(a)** Certain mutual insurance companies exempt under section 501(c)(15). (See Form 990.)

**(b)** A mutual insurance company subject to tax under section 821, which disposes of its insurance business and reserves or otherwise ceases to be entitled to be taxed under section 821, but continues its corporate existence for the purpose of winding up and liquidating its affairs. (See Form 1120.)

**B. Information returns and forms that may be required.—**

1. Forms W-2 and W-3.—Employee's wage and tax statement; and transmittal of income and tax statements.

2. Form W-2P.—Statement for recipients of annuities, pensions or retired pay and periodic payments from retirement plans.

3. Forms 1087-DIV, INT, MEC, MISC, and OID.—Nominees' information returns for reporting dividends, interest, medical and health care payments, miscellaneous income, and original issue discount that were received as a nominee on behalf of another person.

4. Form 1096.—Annual summary and transmittal of U.S. information returns.

5. Form 5452.—Corporate report of nonliable dividends.

6. Forms 966 and 1098L.—Information returns regarding dissolution or liquidation, and distributions in liquidation.

7. Forms 1099—DIV, INT, MEC, MISC, OIO, PATR, and R.—Information

returns for reporting certain dividends, interest income, medical and health care payments, miscellaneous income payments, original issue discount, patronage dividends, and total distributions from profit-sharing and retirement plans.

**B. Form 5713.—International boycott report for persons having operations in or related to "boycotting" countries, in addition, persons who participate in or cooperate with an international boycott, may have to complete Schedule A or Schedule B and Schedule C of Form 5713 to compute their less credit. The deferral of earnings of a controlled foreign corporation, and DISC benefits.**

**C. Period covered.—**This return is for calendar year 1978. (Section 843.) If the corporation ceases to exist, write "FINAL RETURN" at the top of the form.

**D. Accounting methods.—**Taxable income must be computed using the method of accounting regularly used in keeping the corporation's books and records. In all cases, the method adopted must clearly reflect taxable income. (See section 446.)

Unless the law specifically permits, the method of accounting used to report income in prior years (for income as a whole or for any material item) may not be changed without first obtaining consent on Form 3115, Application for Change in Accounting Method.

**Rounding off to whole-dollar amounts.** Money items may be rounded as whole-dollar amounts by eliminating any amount less than 50 cents and increasing any amount from 50 cents through 99 cents to the next higher dollar.

#### E. Where to file.—

If the corporation's principal business, office, or agency is located in:

New Jersey, New York City and County of New York, and the District of Columbia, use Form 1120M, NY 0001.

Internal Revenue. Records of deposits will be sent to Internal Revenue for crediting to the corporation's account.

The timeliness of deposits will be determined by the date received by the financial institution or FRB. If a tax payment is made by mail, a deposit received after the due date will be considered timely if the taxpayer establishes that it was mailed on or before the second day before the prescribed due date as provided by section 7502.

Tax deposits made at FRBs which are not in compliance with deposit requirements will nevertheless be processed by the receiving FRB rather than such tax to the taxpayer. Payments made by check or cash to an FRB, but not deposited as paid based on the day when the proceeds of the accompanying payment instrument are collected by the FRB, and if made by mail section 7502 will not apply.

**Federal Tax Deposit Forms.** Pre-1978 Federal Tax Deposit Forms prescribed by Tax Class Number 503 will be mailed to corporations on a cyclical basis depending on the taxable year of the corporation. Corporations needing such deposit forms may obtain them from the Internal Revenue Service Center where they will file their returns. The application should include the corporation's name, identification number, address, and the taxable year to which the deposits relate.

**Estimated tax.—**A corporation must make estimated tax payments if it can expect its estimated tax (income tax less credits) to be \$10 or more.

Form 1120-W may be used as a worksheet to compute estimated tax.

If there was an overpayment of estimated tax, file Form 4466 for a "quick refund" if the overpayment is (1) at least 10% of your expected income tax liability AND (2) at least \$500. This application must be made within 2½ months after the end of the taxable year and before Form 1120M is filed.

**H. Stock ownership in foreign corporation.**—Schedule 551(c) and attach the ownership of 5% or more in value of the outstanding stock of a foreign personal holding company.

A taxpayer who controls a foreign corporation or is a 10% or more shareholder of a controlled foreign corporation; may be required to file Forms 2952 and 3646.

**I. Annual statement.—**A copy of the annual statement for mutual insurance companies adopted by the National Association of Mutual Insurance Companies for the year 1978 as filed with the Insurance Department of the State or District of Columbia, together with copies of Schedule A (real estate) and Schedule D (bonds and stocks) must accompany Form 1120M.

pany the return (see section 1.6012-2(c) of the regulations).

Similar copies for the preceding year must also be furnished, if not already filed for such year.

If you use miniature statements, they may be filed instead of the larger statements.

**J. Signature.—**The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign. A receiver, trustee, or assignee must sign and date any return required to be filed on behalf of a corporation.

If your corporate officer filled in Form 1120M, the space under the signature of officer should remain blank. If someone other than the corporate officer filled in Form 1120M and does not charge the corporation, that person should not sign the return. Certain others who prepare Form 1120M should not sign. For example, a regular, full-time employee of the corporation such as clerk, secretary, etc., does not have to sign. This list is not all inclusive.

Generally, anyone who is paid to prepare Form 1120M must sign the return and fill in the other blanks in the Paid Preparer's Information area of the return.

When more than one person prepares Form 1120M, the preparer with primary responsibility for the overall accuracy of the return must sign as the preparer.

If the preparer is self-employed (i.e., is not employed by any person or business entity to prepare the return), he or she should check the "SE" box.

If you have questions about whether a preparer is required to sign Form 1120M, please contact an IRS office.

The person required to sign the return MUST:

—Sign it, by hand, in the space provided for the preparer's signature (Signature stamps or labels are not acceptable);

—Give a copy of Form 1120M to the taxpayer in addition to the copy filed with IRS.

Publication 1054 is a guide listing some of the preparer's other responsibilities and penalties for which he or she may be liable. The publication also contains the regulation citations which govern their work. Tax return preparers should be familiar with their responsibilities. This publication is available at IRS offices.

**K. Attachments.—**If more space is needed on forms or schedules, attach separate sheets and use the same arrangement as the printed forms, but show the totals on the printed forms. Be sure to put the taxpayer's name and employer identification number on these separate sheets.

**L. Penalties.—**Avoid penalties and interest by correctly filing and paying the tax when due.

1. A corporation that fails to file its tax return by the prescribed due date including any extensions of time for filing may be subject to a penalty of 5% a month, up to a maximum of 25%, for each month the return is not filed (the penalty is imposed on the net amount due—section 6651(a)(1)).

2. A corporation that fails to pay the tax when due may be subject to a penalty of ½% a month or fraction of a month, up to a maximum of 25%, for each month the tax is not paid (the penalty is imposed on the net amount due—section 6651(a)(2)).

The above penalties will not be imposed if the corporation can show that the failure to file or to pay was due to reasonable cause and not to willful neglect.

These penalties are in addition to the interest charge imposed on unpaid tax at a rate pursuant to section 6621.

3. A corporation that fails to pay the proper estimated tax when due may be subject to an underpayment penalty for the period of underpayment (section 6605) at a rate pursuant to section 6621.

If estimated tax was underpaid, attach Form 2220 to show how you figured the penalty or which exceptions you believe you meet.

**M. Foreign financial accounts and foreign trusts.—**

If at any time during the year, you had an interest in or signature or other authority over a bank account, securities account or other financial account in a foreign country, check the Yes box in question K. However, you should check the No box if the combined assets in the account(s) were \$1,000 or less during the entire year, or were with a U.S. military banking facility operated by a U.S. financial institution.

If you own more than 50 percent of the stock in any corporation that owns one or more foreign bank accounts, you must check the Yes box in question K. Get Form 90-22 to report your signature or other authority over a bank, security, or other financial account in a foreign country.

If you checked Yes for question K, file Form 90-22. You can get this form from many IRS offices. File the completed form by June 30, 1979, with the Department of the Treasury, P.O. Box 28309, Central Station, Washington, DC 20005. Do not file it with the IRS, it is not a tax return.

If you were a grantor of, or transferor to a foreign trust, which trust was in being during the tax year, check the Yes box for question L.



**M. Employer identification number.**—Enter the employer identification number (EIN) assigned to the corporation.

Corporations that do not have an EIN should apply for one on Form SS-4, available from the Internal Revenue Service, to the same Internal Revenue Service Center to which Form 1120M is sent.

**O. Travel and entertainment.** (Section 274(d)).—(See Form 1120M, question H(2), page 4).—The amount required to be entered is the total amount expended during the year for gifts, travel, and entertainment for which substantiation would be required under section 274(d).

Expenses paid or incurred in years prior to taxable years beginning in 1978 but not deducted in those years are not required to be included in the total (i.e., expenditures reflected in beginning inventories, capitalized expenditures subject to depreciation, etc.). However, expenditures paid or incurred in tax years beginning in 1978 that are included in the cost of inventory, merchandise purchased for resale, or capitalized in asset accounts, etc., should be reported in the total as if they were fully deducted on the return even though all or a portion of such expenditures are included in ending inventory, asset accounts, etc.

Do not include amounts treated as compensation and reported on Forms W-2.

See regulations section 1.274-5 for definitions and rules governing the types of expenses for which substantiation is required and therefore reportable in item H(2).

### Specific Instructions

(Numbered to correspond with the line numbers on the return.)

#### For Page 1 of Return

**5. Unused loss deduction.**—The amount of the deduction is the total of the unused loss carryovers and carrybacks to the taxable year.

**Unused loss.**—The term "unused loss" for any taxable year means the amount by which—

(1) the sum of the statutory underwriting losses and the investment loss, exceeds

(2) the sum of—  
(a) the taxable investment income, and  
(b) the statutory underwriting income, and

(c) the amount required by section 824(d) to be subtracted from the prior year's unused loss. The unused loss for any loss year is (1) an unused loss carryback to election under section 243(b), the prior

the loss year, and (2) an unused loss carryover to each of the 7 taxable years following the loss year; or an irrevocable election may be made whereby a net operating loss may only be carried over to each of the 7 years following the year of such loss, thus relinquishing the carryback period. After applying the net operating loss to the initial year, the portion of the loss that may be carried to each of the remaining taxable years is the excess (if any) of the amount of the loss over the sum of the losses (as determined under section 825(f)) for each of the prior taxable years to which the loss may be carried.

**Limitations.**—An unused loss may not be carried—  
(1) to or from any taxable year for which the insurance company is not subject to the tax imposed by section 821(a), or  
(2) to any taxable year if, between the loss year and such taxable year, there is an intervening taxable year for which the insurance company was not subject to the tax imposed by section 825(a). Section 844 for special carryover loss rules regarding an insurance company that has changed its form of organization or has changed the nature of its insurance business.

**B. Surplus.**—For election and attachment, see instructions to section 826(b), see section 826(a) and the regulations thereunder.

**Amount to be included by reciprocal.**—If the mutual insurance company election is made, the amount of the election under section 826(a) is not less than \$50,000, then make no entry. If the taxable income before giving effect to the election is not more than \$50,000, then enter—  
(1) the taxable income after the election is \$50,000 or less, the excess of such taxable income over taxable income before giving effect to the election must be entered as the amount required on line 8.  
(2) Where taxable income after the election is over \$50,000, the excess of \$50,000 over taxable income before the election must be entered as the amount required on line 8.

Where the amount subtracted from the protection against loss account was added because of the election under section 826(a), then to the extent the amount increases mutual insurance company taxable income for the taxable year, the amount is not entitled to the \$50,000 surplus exemption. See section 1.826-2(b) of the regulations.

Where the surplus exemption is pro-rated under section 1561 because of an election under section 243(b), the prior

raised amount must be used in place of

the \$50,000 referred to in the preceding paragraphs and page 1, line 8.

**10. Alternative tax for certain small companies.**—See Instructions for Schedule A-2.

**12(a). Foreign tax credit.**—In general, the per-country limitation cannot be used in computing the foreign tax credit. See Form 1118 for rules on how to compute the foreign tax credit.

**12(b). Investment credit.**—In most cases, the investment credit rate is 10% for property acquired and placed in service during the taxable year. Corporations may elect an 11% credit for such property if the corporation contributes 1% of the qualified investment to an employee stock ownership plan (ESOP). The corporation may elect to an 11.5% credit for qualifying 10% ESOP contributions from 1% up to 1.5% of the qualified investment in 10% property and (2) corporate employees make an ESOP contribution up to 1/6% in similar type property. Complete Form 5500 for each employee stock ownership plan and file it on or before the last day of the 7th month following the close of the plan year. The limit on the amount of used property eligible for the investment credit is \$100,000.

The investment credit also applies to qualified progress payments made during the construction of property that requires at least two years to construct and that has an expected useful life of at least 7 years. See Form 3468 for special rules and limitations.

The Energy Tax Act of 1978 provides for additional investment credits for certain energy properties (see Form 3468, Schedule B).

**12(c). Credit for wages paid or incurred in a work incentive (WIN) program.**—Employers may claim a credit of 20% of the salaries and wages paid or incurred to employees hired under a WIN program. The credit is allowed for the salaries and wages paid or incurred for the first 12 months of employment.

For special rules and limitations, see Form 4874 and sections 50A and 50B.

**12(d). New jobs credit.**—In general, for a taxable year beginning in 1978, the credit shall be an amount equal to 50% of the excess of the aggregate unemployment insurance wages paid during 1978 over 102% of the aggregate unemployment insurance wages (limited to \$4,200 for each employee) paid during 1977. An additional 10% credit may be claimed for certain wages paid to certain vocational rehabilitation referrals during the calendar year 1978. See Form 5884 for definitions, special

rules, and limitations. Also see Publication 902, Tax Information on Jobs Tax Credit.

Do not take an expense deduction for that portion of the wages or salaries paid or incurred which is equal to the applicable new jobs credit on line 13 of Form 5884. See instruction G of the instructions for Form 5884 for additional information.

Attach a schedule to Form 5884 or use the blank side of Form 5884 to show how and where the reduction of the salary and wage deductions was made. Show in this schedule the amount of the otherwise allowable deduction(s) before the reduction and the net amount actually deducted. Identify the number of employees, and page number of Form 1120M, to which a reduction made. If the reduction in salaries and wages is less than the new jobs credit on line 13 of Form 5884, explain the difference.

**13. Possession tax credit.**—See Form 5712 for rules on how to elect to claim the possession tax credit (section 336). Compute the credit on Form 5735 and include the amount of the credit on line 13 of Form 5884. See Form 1120M, W-9, for the margin note on line 13. The margin note on line 13 of Form 5884, explain the credit and identify it as being a section 936 credit.

**15. Foreign corporations.**—A foreign corporation carrying on an insurance business within the U.S. is taxable in the same manner as a domestic insurance company with respect to its income, deductions, and credits with the conduct of a trade or business within the U.S. See section 842.

Any other U.S. source income received by a foreign corporation not effectively connected with the conduct of a trade or business within the U.S. is taxed at a 30% (or lower treaty) rate. See section 881. If you have any such income, attach a schedule showing the nature of income, amount of income, rate of tax (30% or lower treaty rate), and amount of tax. Enter the amount of tax imposed by section 881 on line 15, page 1.

**16. Tax from recomputing a prior year investment credit.**—If property is disposed of prior to the life years category used in computing the investment credit, the investment credit must be recomputed using as the useful life the period the property was actually held. (For recomputations of the investment credit for qualified progress expenditures, see section 47(a)(3).) If the credit taken, including carrybacks and carryovers, exceeds the recomputed credit, the tax in the year of disposition must be increased by the excess. Form 4255 may be used to compute the tax.

**The tax from recomputing a prior year investment credit may not be offset against the current year's investment credit.**

**17. Tax from recomputing a prior year WIN credit.**—If a WIN program employee is dismissed before completing a certain period of employment, the WIN credit previously taken on such employee may be subject to recapture. If so, you must repay (with certain exceptions) any tax credit previously taken on the salaries and wages paid or incurred to that employee. (See Form 4874.)

The tax from recomputing a prior year work incentive credit may not be offset against the current year's work incentive credit.

**18. Minimum tax on tax preference items.**—In general, the corporate minimum tax rate is 15%, and the minimum tax exemption is the greater of \$10,000 or the regular income taxes for the year. The tax preference items are accelerated depreciation on real property; amortization of certified pollution control facilities; railroad rolling stock; on-the-job training facilities and child care facilities; reserve for losses on bad debts of financial institutions; depletion; and capital gains.

Attach Form 4626 if items of tax preference exceed \$10,000 even if there is no minimum tax. Or if you have any minimum tax liability derived from a prior taxable year to this year.

**20(a). Credit by reciprocal for tax paid by attorney-in-fact.**—See section 826(e) and the regulations thereunder.

**20(b). Other tax credits.**—Section 39 provides a credit for Federal excise tax on: (1) gasoline used (a) on a farm for farming use, (b) in vehicles and machines used off the highway, such as in boats and, generally, in commercial aircraft, and (c) in vehicles furnishing certain public transportation by land; (2) lubricating oil used for any purpose other than highway motor vehicles; and (3) special fuel used in farming for farming use, (b) in vehicles furnishing certain public transportation by land, and (c) generally in commercial aviation or under other conditions not subject to tax.

Also included on line 20(b) any of the tax credits on line 15, page 1, which was withheld at the U.S. source.

**SCHEDULE A—Taxable Investment Income or (Loss)**

**1. Interest.**—Enter interest received or accrued from all sources during the taxable year. The gross amount of interest reported as the gross income must be reduced by the amortization of premiums attributable to the taxable year on bonds, notes, debentures or other evidences of indebtedness, determined in accordance with the method reg-

(1) in accordance with the method reg-

ularly employed, if reasonable, or (2) in accordance with regulations. (Attach a statement showing method and computation.)

**3. Gross rents.**—Enter the gross amount received for the rent of property. Deduct expenses such as repairs, interest, taxes, and deductions in the proper lines for deductions.

**4. Gross royalties.**—Enter the gross amount of royalties. If a deduction is claimed for depletion, report it on line 15.

**5. Gross income from trade or business other than insurance business.**—Enter the gross income from any trade or business (other than insurance business) conducted by the mutual insurance company, or by a partnership of which the mutual insurance company is a member. Include section 1245 and section 1250 etc. gains. From Form 4797 with respect to investment assets only.

**6. Leases, etc.**—Enter the gross amount of income received from the leasing (or the alteration or termination) of any lease, mortgage or other instrument or agreement from which the mutual insurance company derives interest, dividends, rents, or royalties.

**8. Net gain from sale or exchange of capital assets.**—Report sales or exchanges of capital assets in separate Schedule D (Form 1209). Use the Schedule A-3, Euphrates, to report an exchange of a capital asset even though no gain or loss results, must be reported in detail.

Losses from sales or exchanges of capital assets (except losses from capital assets sold or exchanged to obtain funds to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions) are allowed to the extent of gains from such sales or exchanges with respect to companies taxable under section 821.

The net capital loss for such companies is the amount by which losses for the year from sales or exchanges of capital assets exceed the sum of the gains from sales or exchanges and the lesser of (1) the taxable investment income (computed without regard to gains or losses from sales or exchanges of capital assets) or (2) losses from the sale or exchange of capital assets sold or exchanged to obtain funds to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders.

However, the amount of a net capital loss sustained in a taxable year may be carried back 2 years and forward 5 years. The net capital loss carryback is not allowable as a capital loss carryback subject to the limitations of section 1212(b)(1).







Complete Form 5500 for each plan and file as a separate return. Complete Form 5500-C in lieu of Form 5500 if there were fewer than 100 participants at the beginning of the plan year. See instructions for above forms for computation of allowable deduction on line 21(e). File these forms on or before the last day of the 7th month following the close of the plan year. ERISA imposes penalties for failure to furnish complete information and failure to file statements and return/reports.

**21(b). Employee benefit programs.**—Enter the amount of your contributions to employee benefit programs (e.g., insurance, health and welfare programs) that are not an incidental part of a pension, profit-sharing, etc., plan included on line 21(e). Also include contributions to a qualified group legal services plan. Section 120 imposes certain rules on an employer which will permit employee (including spouses and dependents) contributions to a qualified group legal services plan.

**25. Dividends received deduction.**—See instructions for Schedule E, Part II.

The 85% limitation on the dividends received deduction does not apply to any year in which there is a loss from statutory underwriting income.

#### SCHEDULE B-2—Special Deduction

In the case of a taxpayer subject to the tax imposed by section 821(a), section 823(c) provides that if the gross amount received during the taxable year from the items described in section 822(b) (other than paragraph (1) (D) and premiums (including deposits and assessments) is less than \$1,100,000, then there is allowed an additional deduction for the purposes of determining statutory underwriting income or loss under section 823(a) for the taxable year.

For definition of "premiums" see instructions for Schedule A-2.

#### SCHEDULE E.—Dividends

##### Part I.—Dividend Income

**1. Certain domestic corporations.**—Enter dividends received from domestic corporations subject to income tax and which are subject to the 85% deduction under section 243(a)(1).

So-called dividends or earnings from mutual savings banks, etc., are really interest and should not be treated as dividends.

For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction.

**2. Certain public utility corporations.**—Enter dividends received on the preferred stock of a public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.

**3. Certain foreign corporations.**—Enter dividends received from foreign corporations and which qualify for the 85% deduction provided in section 245(a).

Enter dividends received from wholly-owned foreign subsidiaries and which are eligible for the 100% deduction provided in section 245(b).

In general, this deduction applies to dividends paid out of the earnings and profits of a foreign corporation for a taxable year during which (1) all of its outstanding stock is owned (directly or indirectly) by the domestic corporation receiving the dividends and (2) all of its gross income from all sources is effectively connected with the conduct of a trade or business within the U.S.

If dividends received from wholly-owned foreign subsidiaries are included in line 3, attach a schedule showing the amount of these dividends.

**4. Certain affiliated groups.**—Enter only those dividends which are subject to the elective provisions of section 243(b).

**5. Other corporations.**—Attach a schedule showing separately:

(a) Foreign dividends (including minimum distributions under subpart F) not reportable on line 3. Exclude distributions of amounts constructively taxed in the current year or in prior years under subpart F.

(b) Income constructively received from controlled foreign corporations under subpart F. This amount should equal the total of amounts reported in Schedule A, of Form(s) 3646.

(c) Gross-up dividends for taxes deemed paid under sections 902 and 960.

(d) Dividends (other than capital gain dividends) received from regulated investment companies and which are not subject to the 85% deduction; dividends from tax-exempt organizations; dividends (other than capital gain dividends) and exempt interest dividends received from a real estate investment trust which, for the taxable year of the trust in which the dividends are paid, qualifies under sections 856-960; dividends not eligible for a dividends-received deduction because of the holding period of the stock or an obligation to make corresponding payments with respect to similar stock; and any other taxable dividend income not properly reported above.

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**Part II.—Dividends received deduction**  
**3. Dividends received from certain foreign corporations.**—Enter 85% of dividends received from certain foreign corporations.

Enter on this line 100% of the company's share of dividends received from wholly-owned foreign subsidiaries that are eligible for the 100% deduction provided in section 245(b).

See section 245 for qualifications and limitations on the amount of these deductions.

**4. Total.**—This total is subject to the 85% limitation provided by section 246(b) as follows:

(a) Schedule A.—The line 4 total may not exceed 85% of line 20, Schedule A, less line 5, Schedule E, Part II).

(b) Schedule B-1.—The line 4 total may not exceed 85% of (line 24, Schedule B-1, less line 5, Schedule E, Part II).

**5. Dividends received from certain members of affiliated groups.**—Members of affiliated groups may elect under section 243(b) to deduct 100% of the qualifying dividends received from other members of the same group. Qualifying corporations which elect to take the 100% deduction are limited to one \$50,000 surtax exemption which must be apportioned under section 1561 among the members of the controlled group. See section 243(b) for qualifications and restrictions applicable to this deduction.

#### SCHEDULE F.—Compensation of Officers

Attach a schedule using the following format: 1. Name of officer, 2. Social security number, 3. Time devoted to business, 4. Amount of compensation, 5. Expense account allowances.

Complete columns 1 through 4. Schedule F for all officers. Complete column 5, Schedule F for your six highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance means (1) amounts, other than compensation, received as advances or reimbursements, and (2) amounts paid by or for the corporation, for expenses incurred by or on behalf of an officer. Column 5 does not have to be completed for any officer for whom the combined amount is less than \$30,000.

This information is to be submitted by each member of an affiliated group included in a consolidated return.

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Form 1120S (1978)

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**K** (1) Did you claim a deduction for expenses connected with:

- (a) Entertainment facility (boat, resort, ranch, etc.)? ☐ Yes ☐ No
- (b) Living accommodations (except for employees on business)? ☐ Yes ☐ No
- (c) Employee's families at conventions or meetings? ☐ Yes ☐ No
- If "Yes," were any of these conventions or meetings outside the United States or its possessions? ☐ Yes ☐ No
- (d) Employee or family vacations not reported on Form W-2? ☐ Yes ☐ No

(2) Enter total amount claimed on Form 1120S for entertainment, entertainment facilities, gifts, travel, and conventions of the type for which substantiation is required under section 274(d). (See instruction U.)

**L** Did you file all required Forms 1097, 1096, and 1099? ☐ Yes ☐ No

Answer only if (1) this is the first 1120S return filed since your election to be treated as a small business corporation and (2) the corporation was in existence for the tax year prior to the election and had investment credit property:

Was an agreement filed under section 1.47-4(b) of the regulations? ☐ Yes ☐ No

**N** Did you, at any time during the tax year, have an interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (see instruction R)? ☐ Yes ☐ No

**O** Were you the grantor of, or transferor to, a foreign trust during any tax year, which foreign trust was in being during the current tax year, whether or not you have any beneficial interest in such trust? If "yes," you may be required to file Forms 3520-A, or 926. ☐ Yes ☐ No

**Schedule K** Computation of Undistributed Taxable Income and Summary of Distributions and Other Items**Computation of Corporation's Undistributed Taxable Income**

1	Taxable income (line 28, page 1)	
2	Less: (a) Money distributed as dividends out of earnings and profits of the tax year <input type="text"/> (b) Tax imposed on certain capital gains (line 31, page 1) <input type="text"/>	
3	Corporation's undistributed taxable income	
4	Actual dividend distributions taxable as ordinary income. (Do not include amounts shown on line 6.) <input type="text"/>	
5	Actual dividend distributions taxable as long-term capital gains (after tax) <input type="text"/>	
6	Actual dividend distributions taxable as ordinary income and qualifying for dividend exclusion <input type="text"/>	
7	Nondividend distributions <input type="text"/>	
8	Undistributed taxable income—taxable as ordinary income or loss <input type="text"/>	
9	(a) Undistributed taxable income—taxable as long-term capital gain (after tax) <input type="text"/> (b) Portion of line 9(a) attributable to transactions after 10-31-78 (after tax) <input type="text"/>	

**Investment credit property**

Basis of new investment property	Cost or basis
Qualified property expenditures	
(a) 3 or more but less than 5 years	
(b) 5 or more but less than 7 years	
(c) 7 or more years	
(d) 7 or more years 1974, 1975, 1976, and 1977	
(e) 7 or more years 1978	
Cost of used investment property	
(a) 3 or more but less than 5 years	
(b) 5 or more but less than 7 years	
(c) 7 or more years	

**Interest on investment indebtedness:**

(a) (1) Interest on investment indebtedness incurred prior to December 17, 1969 <input type="text"/> (2) Interest on investment indebtedness incurred prior to September 11, 1975, but after December 16, 1969 <input type="text"/>	
(b) Net investment income or (loss) <input type="text"/>	
(c) Excess expenses from "net lease property" <input type="text"/>	
(d) Net capital gain attributable to investment property <input type="text"/>	

**Item of tax preference (see instructions):**

(a) Accelerated depreciation on— (1) Low income rental housing <input type="text"/> (2) Other real property <input type="text"/> (3) Personal property subjected to a lease <input type="text"/> (4) <input type="text"/>	
(b) Amortization: (1) <input type="text"/> , (2) <input type="text"/> , (3) <input type="text"/>	
(c) Reserve for losses on bad debts of financial institutions <input type="text"/>	
(d) Depletion <input type="text"/>	
(e) Intangible drilling costs <input type="text"/>	
(f) Net capital gain (after tax) <input type="text"/>	

13 New jobs credit or combined new jobs credit and targeted jobs credit

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**Schedule L** Balance Sheets

Assets		Liabilities and Shareholders' Equity	
Beginning of tax year (A) Amount	End of tax year (B) Total	Beginning of tax year (C) Amount	End of tax year (D) Total
1 Cash <input type="text"/>		15 Accounts payable <input type="text"/>	
2 Trade notes and accounts receivable <input type="text"/>		16 Morts, notes, bonds payable in less than 1 year <input type="text"/>	
3 Inventories <input type="text"/>		17 Other current liabilities (attach schedule) <input type="text"/>	
4 Gross obligations: (a) U.S. and instrumentalities <input type="text"/>		18 Loans from shareholders <input type="text"/>	
(b) State, subdivisions thereof, etc. <input type="text"/>		19 Morts, notes, bonds payable in 1 year or more <input type="text"/>	
5 Other current assets (attach schedule) <input type="text"/>		20 Other liabilities (attach schedule) <input type="text"/>	
6 Loans to shareholders <input type="text"/>		21 Capital stock <input type="text"/>	
7 Mortgage and real estate loans <input type="text"/>		22 Paid-in or capital surplus <input type="text"/>	
8 Other investments (attach schedule) <input type="text"/>		23 Retained earnings—appropriated (attach schedule) <input type="text"/>	
9 Buildings and other fixed depreciable assets <input type="text"/>		24 Retained earnings—unappropriated <input type="text"/>	
10 Depreciable assets <input type="text"/>		25 Shareholders' undistributed taxable income previously taxed <input type="text"/>	
(a) Less accumulated depreciation <input type="text"/>		26 Less cost of treasury stock <input type="text"/>	
(b) Less accumulated depletion <input type="text"/>		27 Total liabilities and shareholders' equity <input type="text"/>	
11 Land (net of any amortization) <input type="text"/>			
12 Intangible assets (amortizable only) <input type="text"/>			
13 Other assets (attach schedule) <input type="text"/>			
14 Total assets <input type="text"/>			

**Schedule M-1** Reconciliation of Income Per Books With Income Per Return

1 Net income per books <input type="text"/>	7 Income recorded on books this year not included in this return (limit) <input type="text"/>
2 Federal income tax <input type="text"/>	(a) Tax-exempt interest <input type="text"/>
3 Excess of capital losses over capital gains <input type="text"/>	(b) Depreciation in this tax return not charged against book income this year (limit) <input type="text"/>
4 Income subject to tax not recorded on books this year (limit) <input type="text"/>	(c) Depreciation <input type="text"/>
5 Expenses recorded on books this year not deducted in this return (limit) <input type="text"/>	
(a) Depreciation <input type="text"/>	
6 Total of lines 1 through 5 <input type="text"/>	8 Total of lines 7 and 8 <input type="text"/>
9 Income per books <input type="text"/>	9 Income per books <input type="text"/>

**Schedule M-2** Analysis of Unappropriated Retained Earnings Per Books (line 24 above)

1 Balance at beginning of year <input type="text"/>	5 Distributions out of current or accumulated earnings and profits: (a) Cash <input type="text"/>
2 Net income per books <input type="text"/>	(b) Stock <input type="text"/>
3 Other increases (limit) <input type="text"/>	(c) Property <input type="text"/>
4 Total of lines 1, 2, and 3 <input type="text"/>	6 Current year's undistributed taxable income or net operating loss (total of lines 8 and 9(a), Schedule K) <input type="text"/>
	7 Other decreases (limit) <input type="text"/>
	8 Total of lines 5, 6, and 7 <input type="text"/>
	9 Balance at end of year (line 4 less line 8) <input type="text"/>

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Line 7.—Enter the total amount of distributions of money and property not out of earnings and profits.

For tax years after the first tax year to which the Subchapter S election applies, enter the amount of the total amount of taxable income previously taxed to shareholders as allowed by section 1375(c). See section 1377(f) for purposes of determining the amount of undistributed taxable income previously taxed to shareholders.

Section 1375(f) provides that distributions of money made within 2 months and 15 days after the close of the taxable year are to be reported in the year the distributions are made. For example, if a 1978 calendar year corporation makes a section 1375(f) distribution on September 15, 1978, the distribution is to be reported as a 1978 dividend distribution on Schedule K of the Form 1099-DIV. (See section 1375(h).)

Line 8.—Enter that portion of undistributed taxable income (line 7) that is to be treated by the shareholders as ordinary income. The undistributed taxable income is the amount that the shareholders would have received if the corporation had distributed the undistributed taxable income.

A dividend distribution of property other than money may cause the corporation's total of lines 8 and 9(a), to exceed the total of lines 8 and 9(a), if there is a net operating loss for the tax year, enter there.

Line 9(a) and (b).—Enter on 9(a) that portion of undistributed taxable income that is to be treated by the shareholders as long-term capital gain (line 7) that is to be reported in the year the distributions are made. Enter on 9(b) that portion of line 9(a) which is attributable to transactions after October 31, 1978 (after tax). See instruction 205. See Schedule E (Form 3468) for instructions for Schedule D (Form 1120S).

Line 10.—Attach a separate schedule reporting the total energy property acquired or constructed after September 30, 1978. List the dollar amount for each type of property. See Schedule E (Form 3468) for instructions. See instructions for Form 1120S for information on types of energy property.

Line 11.—List the amounts of interest on investment indebtedness, and the applicable items of (1) net investment income or (2) net investment loss, and (3) net capital gain (excess net long-term capital gain over net short-term capital loss) which were included in the computation of the taxable income for the corporation.

The interest on investment indebtedness must be included in the period in which it was incurred. Report actual dividend distributions and investment indebtedness incurred prior to December 17, 1969, (2) prior to September 11, 1975 but after December 17, 1969, and (3) after September 10, 1975. For additional information see Form 4952.

Shareholders are to be notified of their pro rata share of the above information for purposes of computing the limitation

on interest on investment indebtedness at the shareholder level. (See Form 4952 and section 163(d).)

Line 12.—Enter the amount of each item of tax preference. The total amount of amortization deducted by the corporation is to be included on line 12. Part 1, and 1120S is to be included on line 1, Part 1, and also entered in Part II. The entry on line 12 is to be included in the total amount of each specific type of amortization contained in this total is to be listed in the following order: (1) depletion; (2) amortization of intangible assets; (3) oil and gas depletion; (4) railroad rolling stock; (5) child care facilities; These amounts are also taken into account in the computation of the taxable income of the corporation in the regular manner but are subject (with certain reductions) to a minimum tax at 30% of the taxable income. These distributions are to be reported in the year the distributions are made. For example, if a 1978 calendar year corporation makes a section 1375(f) distribution on September 15, 1978, the distribution is to be reported as a 1978 dividend distribution on Schedule K of the Form 1099-DIV. (See section 1375(h).)

Line 13.—Enter the new jobs credit (line 13 of Form 5884) or the combined new jobs credit and targeted jobs credit (line 20 of Form 5884) for the tax year. The credits are computed at the corporate level and then apportioned pro rata among the persons who are shareholders or the corporation's taxable year.

See Form 5884 for information concerning the new jobs credit and Form 5884-FY (1978-79) for information concerning the new jobs credit and targeted jobs credit.

## SCHEDULE K-1 Shareholder's Share of Undistributed Taxable Income, etc.

Complete a separate Schedule K-1 (Form 1120S) for each shareholder, and file Copy A with Form 1120S.

Note. Section 6676 provides a \$5.00 penalty for failure to provide the identifying number of each shareholder.

Schedule K-1 (Form 1120S) must show complete information with respect to all items of income, loss, deduction, and credit for each shareholder for the tax year. Shareholders generally are taxed on their distributive shares of the current tax year's income, loss, deduction, and credit, not accumulated distributions. In addition to the undistributed taxable income, Schedule K-1 also includes each shareholder's pro rata share of the corporation's (1) net investment income or (2) net investment loss, and (3) net capital gain (excess net long-term capital gain over net short-term capital loss) which were included in the computation of the taxable income for the corporation.

The interest on investment indebtedness must be included in the period in which it was incurred. Report actual dividend distributions and investment indebtedness incurred prior to December 17, 1969, (2) prior to September 11, 1975 but after December 17, 1969, and (3) after September 10, 1975. For additional information see Form 4952.

Shareholders are to be notified of their pro rata share of undistributed taxable income that is taxable as ordinary income. This

amount is to be reported by the shareholder on Schedule E (Form 1040). Each shareholder's share of a net operating loss is also reported on Schedule E (Form 1040). (See Form 1040.) (Note: The section 465 activity loss(es) included on line 28 of Form 1120S is to be included on line 1, Part 1, and also entered in Part II. The entry on line 28 is to be included in the total amount of each specific type of amortization contained in this total is to be listed in the following order: (1) depletion; (2) amortization of intangible assets; (3) oil and gas depletion; (4) railroad rolling stock; (5) child care facilities; These amounts are also taken into account in the computation of the taxable income of the corporation in the regular manner but are subject (with certain reductions) to a minimum tax at 30% of the taxable income. These distributions are to be reported in the year the distributions are made. For example, if a 1978 calendar year corporation makes a section 1375(f) distribution on September 15, 1978, the distribution is to be reported as a 1978 dividend distribution on Schedule K of the Form 1099-DIV. (See section 1375(h).)

Line 13.—Enter the new jobs credit (line 13 of Form 5884) or the combined new jobs credit and targeted jobs credit (line 20 of Form 5884) for the tax year. The credits are computed at the corporate level and then apportioned pro rata among the persons who are shareholders or the corporation's taxable year.

See Form 5884 for information concerning the new jobs credit and Form 5884-FY (1978-79) for information concerning the new jobs credit and targeted jobs credit.

Line 14.—Enter each shareholder's pro rata share of the corporation's (1) net investment income or (2) net investment loss, and (3) net capital gain (excess net long-term capital gain over net short-term capital loss) which were included in the computation of the taxable income for the corporation. (See section 1375(f).)

Line 15.—Enter each shareholder's pro rata share of the corporation's (1) net investment income or (2) net investment loss, and (3) net capital gain (excess net long-term capital gain over net short-term capital loss) which were included in the computation of the taxable income for the corporation. (See section 1375(f).)

## PART II.—Losses from Section 465 Activities

Special rules apply in the case of an electing small business corporation engaged in the following activities:

- holding, producing, or distributing motion picture films or video tapes;
- leasing (as defined in section 464(e)) of:

- leasing section 1245 property to others; or
- exploring for, or exploiting, oil and gas resources.

Section 465 provides that the amount of loss which may be deducted in computing the taxable income of the shareholder is to be limited to the amount of the shareholder's investment in the activity at the close of the tax year.

A shareholder is generally considered to be an electing small business corporation if the amount of money and the adjusted basis of the property the shareholder contributed to the activity plus any amounts borrowed for the activity do not exceed the total amount of the shareholder's personal liability for payment from his or her personal assets or has pledged property, other than property used in such activity, to the extent of the net fair market value of the taxpayer's interest in such property. (See section 465(b)(3) and (4) for exclusions and exceptions.) For additional information see Form 204(c)(2) and (3) of the Tax Reform Act of 1976 for special transitional rules.

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concerning movies and video tapes and leasing activities.)

If the corporation is engaged in one or more of the above activities, in addition to the section 465 activities, and one or more of the section 465 activities has an operating loss for the year, the corporation must enter the amount of the section 465 activity loss in Part II. (If more than one section 465 activity loss is to be entered in Part II, attach a supporting schedule listing each activity loss.)

Any loss disallowed under section 465 for the tax year shall be treated as a deduction allocable to such activity in the succeeding tax year. (See section 465.)

## PART III.—Interest on Investment Indebtedness

Each shareholder must be notified of his or her pro rata share of interest on investment indebtedness and the applicable items of: (1) net investment income or (2) net investment loss, and (3) net capital gain (excess net long-term capital gain over net short-term capital loss) which were included in the computation of the taxable income for the corporation.

The interest on investment indebtedness must be allocated to the period in which it was incurred. Report actual dividend distributions and investment indebtedness incurred prior to December 17, 1969, (2) prior to September 11, 1975 but after December 17, 1969, and (3) after September 10, 1975. For additional information see Form 4952.

These items are combined with similar items from other sources to compute the shareholder's limitation on the deduction of losses. (See Form 4952 and section 163(d).)

## PART IV.—Items of Tax Preference

All items of tax preference are taken into account by the shareholders, along with similar items from other sources, in preparing Form 4625. Computation of the shareholder's share of the items of tax preference, except capital gains, are apportioned to each shareholder on a daily basis and are consistent with the way net operating losses are apportioned under section 1374. (See section 1374 and instruction 30.)

## PART V.—Property Eligible for Investment Credit

Investment Credit.—Shareholders are allowed a tax credit on their individual returns for their share of the corporation's investment in certain depreciable property.

Shareholders claiming the credit must attach Form 3468 to their returns.

The regular investment credit rate is 10 percent for property acquired and placed in service after 1969. The credit rate for property taken into account during the taxable year. An additional 10% energy investment credit was made available for property acquired after September 30, 1978. The additional 1% or 1.5% investment credit as provided for in section 46(c)(2)(E) for amounts contributed to an investment credit trust. The credit is available in the case of an electing small business corporation.

The limit on the amount of used property eligible for the investment credit is \$100,000. In addition to the regular investment credit property reported in Part V of Schedule K-1, attach a separate schedule showing the corporation's investment in qualifying property. (See Form 3468.) Computation of the Energy Investment Credit, for details concerning energy property.

## PART VI.—Property Used in Recouping a Prior Year Investment Credit

When property is disposed of prior to the "life years" assigned, each shareholder must be notified. Each shareholder must enter the amount of the property taken in a prior year or years exceeds the credit as recomputed due to the early disposition of the property. See section 1.47-1 of the Regulations and instructions for Form 425S for details concerning the recouping of investment credit for qualified progress expenditures, see section 47(a)(3).

The tax from recouping a prior year investment credit may not be offset against the current year's investment credit.

## PART VII.—New Jobs Credit

Shareholders of record on the last day of the taxable year are allowed a tax credit on their individual tax returns for their pro rata share of the new jobs credit computed on Form 5884-FY (1978-79) (line 20). The combined new jobs credits and targeted jobs credit computed on Form 5884-FY (1978-79) (line 20).

## PART VIII.—Other Shareholder Information

Column 3.—If the number of shares owned by a shareholder changed during the year, enter the number of shares held for each period.

Column 4.—Enter the compensation paid to each shareholder, including any excess contributions to a pension, profit-sharing, etc., plan made on behalf of a shareholder-employee. Excess contributions are those deductible by the corporation.

tion under section 404(e)(1), (2), or (3) over the lesser of:

- 15% of the compensation received by the shareholder-employee from the corporation during its taxable year; or
- \$7,500.

A shareholder-employee of the corporation is considered as owning under section 318 (a)(1) on any day of the taxable year of the corporation, more than 5% of its outstanding stock, if the shareholder-employee is a trust described in section 401(b)(6). (See section 1375(b).)

Credit for wages paid or incurred in a corporation's taxable year. Shareholders are allowed a WIN credit on their return for their share of the WIN program expenses (wages) paid or incurred by the corporation for the first 12 months of employment of each WIN program employee. For special rules and limitations, see Form 4674 and instructions. See Form 4674 and instructions for details concerning the WIN credit.

Shareholders claiming the WIN credit must attach Form 4674 to their returns. The tax from recouping a prior year WIN credit.—If a WIN employee is dismissed within the first 90 days of employment, the WIN credit must be recomputed for the day in which such employee completes 90 days of employment. The WIN credit must be recomputed for each shareholder must be given a statement showing his or her share of WIN wages attributable to each such WIN employee and the employee's employment. Each shareholder must add to his or her tax liability the prior credit taken with respect to each such WIN employee.

For exceptions and limitations, see Form 4674 and section 1304-5 of the Regulations.

The tax from recouping a prior year work incentive credit may not be offset against the current year's work incentive credit.

For more information obtain Publication 589, Tax Information on Subchapter S Corporations, from your local Internal Revenue office.

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**SCHEDULE D**  
**(Form 1120S)**Department of the Treasury  
Internal Revenue Service**Capital Gains and Losses**

▶ Attach to your tax return.

**1978**

Name \_\_\_\_\_ Employer Identification Number \_\_\_\_\_

**Part I Short-term Capital Gains and Losses—Assets Held One Year or Less**

a. Date acquired (month, day, year)	b. Date sold (month, day, year)	c. Gross sales price less acquisition costs	d. Cost or other basis	e. Gain or (loss) for the year (do not enter net)	f. Gain or (loss) after 12/31/78 (see instructions)
1					

2 Unused capital loss carryover (attach computation) . . . . .

3 Net short-term capital gain or (loss) (combine lines 1 and 2) . . . . .

**Part II Long-term Capital Gains and Losses—Assets Held More Than One Year**

4 Enter section 1221 gain from line 6(e)(1), Form 4797 . . . . .	5

6 Net long-term capital gain or (loss) (combine lines 4 and 5) . . . . .

**Part III Summary of Schedule D Gains and Losses**

7 Excess of net short-term capital gain (line 3) over net long-term capital loss (line 6). Enter here and on Form 1120S, page 1, line 9(e) . . . . .	
8 Excess of net long-term capital gain (line 6) over net short-term capital loss (line 3). Enter here and on Form 1120S, page 1, line 9(f) (see instructions regarding column g amount) . . . . .	

**Part IV Tax Computation (See Instructions For Lines 9 Through 46)**

9 Taxable income (Form 1120S, page 1, line 28) . . . . .	
10 Enter \$25,000 (members of a controlled group, see instructions) . . . . .	
11 Subtract line 10 from line 9 . . . . .	
12 Enter line 11 or \$25,000, whichever is lesser (members of a controlled group, see instructions) . . . . .	
13 Subtract line 12 from line 11 . . . . .	
14 Enter line 13 or \$25,000, whichever is lesser (members of a controlled group, see instructions) . . . . .	
15 Subtract line 14 from line 13 . . . . .	
16 Enter line 15 or \$25,000, whichever is lesser (members of a controlled group, see instructions) . . . . .	
17 Subtract line 16 from line 15 . . . . .	
18 Enter 20% of line 10 . . . . .	
19 Enter 22% of line 12 . . . . .	
20 Enter 48% of line 13 . . . . .	
21 Add lines 18, 19, and 20 . . . . .	
22 Excess of net long-term capital gain over net short-term capital loss (Part III, line 8, column f) . . . . .	
23 Enter \$25,000 (statutory minimum) . . . . .	
24 Subtract line 23 from line 22 . . . . .	
25 Enter 30% of line 24 . . . . .	
26 Income tax on capital gains for calendar year corporations—Enter the smaller of line 21 or line 25 here and on Form 1120S, page 1, line 29 . . . . .	<b>\$25,000.00</b>

(Annual year corporations are to complete their tax computation on the back of Schedule D.)

Schedule D (1120S) (1978)

**Part V Tax Computation (continued)**

27 Enter 17% of line 10 . . . . .	
28 Enter 20% of line 12 . . . . .	
29 Enter 30% of line 14 . . . . .	
30 Enter 40% of line 16 . . . . .	
31 Enter 46% of line 17 . . . . .	
32 Add lines 27 through 31 . . . . .	
33 Line 21 × $\frac{\text{number of days in taxable year before 1/1/79}}{\text{number of days in taxable year}}$ . . . . .	
34 Line 32 × $\frac{\text{number of days in taxable year after 12/31/78}}{\text{number of days in taxable year}}$ . . . . .	
35 Add lines 33 and 34 . . . . .	
36 Excess of net long-term capital gain over net short-term capital loss (Part III, line 8, column f) . . . . .	
37 Excess of net long-term capital gain over net short-term capital loss based on transactions completed after December 31, 1978 (do not enter more than the amount on line 36) (see instructions) . . . . .	
38 Subtract line 37 from line 36 . . . . .	
39 Amount on line 38 × \$25,000 . . . . .	
Amount on line 36 . . . . .	
40 Amount on line 37 × \$25,000 . . . . .	
Amount on line 36 . . . . .	
41 Subtract line 39 from line 38 . . . . .	
42 Subtract line 40 from line 37 . . . . .	
43 Line 41 × 30% . . . . .	
44 Line 42 × 28% . . . . .	
45 Add lines 43 and 44 . . . . .	
46 Income tax on capital gains for fiscal year corporations—Enter the smaller of line 35 or line 45 here and on Form 1120S, page 1, line 29 . . . . .	

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# 1978

Department of the Treasury  
Internal Revenue Service

## Instructions for Schedule D (Form 1120S) Capital Gains and Losses

(References are to the Internal Revenue Code.)

This schedule provides for the reporting of sales or exchanges of capital assets. Every sale or exchange of property must be reported even though no gain or loss is indicated.

See Form 4797 and related instructions for reporting sales or exchanges of property other than capital assets including the sale or exchange of property used in the trade or business and involuntary conversions (section 1231), also, gain from the disposition of interest in oil and gas property (section 1256).

**Note:** The Tax Reform Act of 1976 increased the holding period for long-term capital gains and losses from more than 9 months to more than one year for taxable years beginning in 1978 and thereafter.

In the case of amounts received from an installment sale, the holding period rule in effect in the year of sale will determine the treatment of the amounts received as long-term or short-term gain.

Gains and losses on futures transactions (but not options on futures transactions) in any commodity subject to the rules of a board of trade or commodity exchange will retain the more than 6-month holding period rule for long-term treatment. See section 1222.

**Capital Assets.**—Each item of property held by the corporation (whether or not connected with its trade or business) is a capital asset except: (1) inventory, depreciable assets or customers; (2) depreciable or real property used in the trade or business; (3) certain copyrights, literary, musical, or artistic compositions, letters or memoranda, or similar property; (4) accounts or notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of property described in (1) above; (5) certain short-term Federal, State, and municipal obligations; and (6) a publication of the United States Government (including the Congressional Record) which is received from the United States Government or any agency thereof, other than by purchase at the price at which it is offered for sale to the public, and which is

the constructive ownership of stock. Item (2) only applies to sales or exchanges made after October 4, 1976, unless the sale or exchange was made pursuant to a binding contract entered into on or before that date. (See section 1223.)

**Capital Losses.**—Capital losses are allowed only to the extent of capital gains. A net capital loss, however, may be carried forward as a short-term capital loss for 5 years (10 years to the extent the loss is attributable to a foreign expropriation loss) or until exhausted, whichever comes first.

**Short Sales of Capital Assets.**—For rules relating to certain short sales of stock or other securities and transactions in commodity futures, see section 1233.

**Worthless Securities.**—Except for banks, if securities that are capital assets become wholly worthless during the taxable year, the loss is to be treated as a capital loss as of the last day of the taxable year.

**Losses Not Allowable.**—No loss is allowed for wash sales of stock or securities. (See section 1091.) No loss is allowed (distributions in liquidation are excepted) on transactions between related persons. (See section 267.)

**Options to Buy or Sell.**—See section 1234 for rules pertaining to the treatment of gain or loss in the case of a purchaser or that of a grantor of an option in the case of stock, securities, or commodities granted after September 1, 1976.

**Costs or Other Basis, As Adjusted.**—In determining gain or loss, the basis of property will generally be its cost. If property was acquired by bequest, gift, tax-free exchange, involuntary conversion, or wash sale of stock, see sections 1014 and 1023, 1015, 1031, 1033, and 1091, respectively. Attach an explanation if the basis used is other than actual cash cost of the property.

If a charitable contribution deduction is allowed by reason of a sale of property to a charitable organization, the adjusted basis for determining the gain from the sale is an amount that

is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

**Minimum Tax on Tax Preference Items.**—If the net long-term capital gain exceeds the net short-term capital loss, you may be liable for minimum tax. See Form 4626.

**Installment Sales.**—If you sold personal property for more than \$1,000 or real property regardless of amount, you may be eligible to report any gain under the installment method if (1) there are no payments in the year of sale or (2) the payments in the year of sale do not exceed 30% of the selling price. (See section 453.) Such sales must provide for two or more payments, with at least one payment being made in each of two taxable years. Treatment of a portion of payments as "unrelated interest" on deferred payment sales, see section 483.

If you elect the installment method, attach computation. For additional information get Publication 537, Tax Information on Installment and Deferred Payment Sales.

**Column G, Parts I, II, III.**—If line 8, column f, is a gain, figure the net capital gain (if any) on line 8, column g. Complete column g based on all transactions completed after October 31, 1978.

The computation in column g is for information purposes only. If there is a net capital gain on line 8, column g, enter that portion of the gain which was not distributed during the taxable year (after tax) on Form 1120S, Schedule K, line 9(b). Report each shareholder's prorata share of such gain (after tax) on Schedule K-1 (Form 1120S), Part I, line 2(b).

**Part IV—Tax Computation.**—Section 1378 imposes a tax on certain capital gains of an electing small business corporation.

If net capital gain (excess of net long-term capital gain over net short-

term capital loss, i.e., line 8, column f, Part III, Schedule D (Form 1120S)) exceeds \$25,000 and you are not liable for the tax, attach an explanation why this tax does not apply. (Questions A through D below may be answered and attached to Part IV, Schedule D (Form 1120S) as an explanation.)

By answering the following questions, you can determine if you are liable for the tax.

If the answers to questions A, B, and C or questions A, B, and D are "Yes," the tax applies and you must complete Part IV of Schedule D (Form 1120S). Otherwise, you are not liable for the tax.

A. Does taxable income, line 28, page 1, exceed \$25,000? ☐ Yes ☐ No

B. Does net capital gain (line 8, column g, Part III, Schedule D (Form 1120S)) exceed \$25,000, and exceed 50% of taxable income (line 28, page 1)? ☐ Yes ☐ No

C. Have you been other than an employee or partner in the 3 immediately preceding taxable years or since cessation if less than 4 years? ☐ Yes ☐ No

D. If answer to question C is "No," does any long-term capital gain (line 6, column f, Schedule D (Form 1120S)) represent gain from transactions described in items 1, 2, and 3 below? ☐ Yes ☐ No

1. Property acquired during the taxable year or within 36 months preceding the taxable year; 2. Property acquired, directly or indirectly, from a corporation, that was not in existence as an 1120S corporation during the taxable year or within 36 months preceding the taxable year up to the time of the acquisition; and

3. Property having a substituted basis (basis determined by reference to its basis in the hands of the transferor corporation) to you?

If the answer to question D is "Yes," and the tax is applicable, complete Part IV.

pute 30% (or a combined 30% and 28% may be applicable for fiscal year corporations) of the net capital gain (excess of the net long-term capital gain over the net short-term capital loss) attributable to property described in question D. If this amount exceeds \$25,000, attach to Part IV, Schedule D (Form 1120S) each such computation to Schedule D (Form 1120S). Enter this amount on line 26 (or 46). Part IV and note to the left of the amount, "Substituted Basis." (Section 1378(c)(3).)

**Members of a Controlled Group.**—If the corporation is a component member of a controlled group of corporations, see section 1361 and related regulations for rules on how to allocate the amounts on lines 10, 12, 14, and 16.

**Capital Gains Tax.**—The capital gains tax rate for electing small business corporations is 30% for a 1978 calendar year, and a combined 30% and 28% for 1978 fiscal year corporations.

For purposes of questions C and D above, a corporation is not considered to be in existence for any taxable year that precedes the first taxable year in which the corporation has shareholders, acquires assets, or begins business, whichever occurs first.

**Lines 9 Through 46.**—Calendar year corporations are to complete lines 9 through 13; omit lines 14 through 17; and complete lines 18 through 26.

Fiscal year corporations are to complete lines 9 through 21; omit lines 22 through 26; and complete lines 27 through 46.

**Line 37.**—Only a gain is to be reported on line 37. This gain is computed only on transactions occurring after December 31, 1978. Do not use the amounts in column g, Parts I, II, and III. Compute the capital gain for the period after December 31, 1978, on a separate schedule. The alternative tax rate for net capital gain for this period of the tax year is 28 percent.

283-404-2





(4) recycling equipment,  
(5) shale oil equipment, or  
(6) equipment for producing natural  
gas from geopressed brine.  
to qualify for the energy investment  
credit.

(1) Meet the requirements of regular  
investment credit property except that  
the provisions of sections 48(a)(1) and  
48(a)(3) do not apply to energy property.  
(2) Be constructed after September 30,  
1978, if the original use commences with  
the taxpayer.  
(3) Meet certain performance and qual-  
ity standards which are in effect at time  
of construction and in effect at time  
or more at the time the property is placed  
in service.

See sections 48(b)(1) through (12) for  
details.

**C. Special Rules.**—The following spe-  
cial rules apply to energy property, solar  
or wind energy property, and recycling  
equipment do not include property which  
is public utility property. In addition, spe-  
cial rules apply to property which is public  
property because specially defined energy  
property must be installed in connection  
with existing industrial or commercial  
facility.

(1) The energy credit is limited to 5%  
in the case of property which is financed  
in whole or part by the proceeds of an  
energy-related development bond (section 48  
(b)(13)).

(2) Solar equipment does not include  
"passive solar" equipment.  
(3) Specially defined energy property  
must be installed in connection with an  
existing industrial or commercial facility.  
See section 48(b)(10) for a definition of  
the term "existing," and

(5) If property qualifies under more  
than one category of energy property, the  
taxpayer is limited to a single 10 percent  
credit for that property.

### Special Instructions

Lines 1(c) through 1(e) and Line 4.—  
Enter the total basis and total qualified  
property on lines 1(a) through 1(e) of the  
1977 Form 3468 and identify it as "En-  
ergy Credit." See sections 48(c) and 48(b).  
Basis and qualified investment are com-

puted for energy property acquired or  
constructed after September 30, 1978,  
and placed in service in the tax year.  
Basis and qualified investment are com-  
puted for energy property acquired or  
constructed before September 30, 1978.

A separate schedule showing the com-  
putation of basis and qualified invest-  
ment for each category of property must  
be attached to the return. It must include  
all items of information as shown in the  
Sample Computation Schedule located at  
the end of these instructions. See sec-  
tion 48(b)(12) for details.

(3) Meet certain performance and qual-  
ity standards which are in effect at time  
of construction and in effect at time  
or more at the time the property is placed  
in service.

See sections 48(b)(1) through (12) for  
details.

**C. Special Rules.**—The following spe-  
cial rules apply to energy property, solar  
or wind energy property, and recycling  
equipment do not include property which  
is public utility property. In addition, spe-  
cial rules apply to property which is public  
property because specially defined energy  
property must be installed in connection  
with existing industrial or commercial  
facility.

(1) The energy credit is limited to 5%  
in the case of property which is financed  
in whole or part by the proceeds of an  
energy-related development bond (section 48  
(b)(13)).

(2) Solar equipment does not include

"passive solar" equipment.  
(3) Specially defined energy property  
must be installed in connection with an  
existing industrial or commercial facility.  
See section 48(b)(10) for a definition of  
the term "existing," and

(5) If property qualifies under more  
than one category of energy property, the  
taxpayer is limited to a single 10 percent  
credit for that property.

### Sample Computation Schedule

Lines 1(c) through 1(e) and Line 4.—  
Enter the total basis and total qualified  
property on lines 1(a) through 1(e) of the  
1977 Form 3468 and identify it as "En-  
ergy Credit." See sections 48(c) and 48(b).  
Basis and qualified investment are com-

(3) Combine the energy credit with the  
regular investment credit (the lesser of  
line 7 or line 13 of the 1977 Form 3468)  
and enter the combined total on line 14  
of the 1977 Form 3468.

Line 5.—Enter the basis of the energy  
property in the following categories: (1)  
corporations, and other organizations (in-  
cluding exempt organizations if the en-  
ergy property is used predominantly in an  
unrelated business); (2) other property  
which is not owned by a corporation, trust,  
or other organization; (3) property which  
is subject to tax under section 511.  
are to claim the refundable energy credit  
(refundable if this credit is in excess of  
the tax liability or if there is no tax liabil-  
ity in the tax year).

The refundable energy credit is allow-  
able only for tax years ending after Sep-  
tember 30, 1978. If your tax year ends  
after this date and you have not filed your  
return for the year ending after this date,  
these instructions, include the refundable  
credit in the total amount to be entered  
on the line referenced below and write in  
the amount of the energy credit and the  
words "refundable energy credit."

(1) 1977 Form 1040, line 62, page 2;  
1978 Form 1040, line 62, page 2.

(2) 1977 Form 1041, line 37, page 1;  
1978 Form 1041, line 37, page 1.

(3) 1977 Form 1120, line 32, page 1;  
1978 Form 1120, line 32, page 1.

(4) 1977 Form 1120F, line 6, page 1;  
1978 Form 1120F, line 6, page 1.

(5) 1977 Form 990-C, line 34, page 1;  
1978 Form 990-C, line 32, page 1.

(6) 1977 Form 990-T, line 21, page 1;  
1978 Form 990-T, line 21, page 1.

(7) 1978 Form 1120L, line 22, page 1;  
1978 Form 1120L, line 22, page 1.

(8) 1978 Form 1120M, line 20, page 1.  
If you have filed your income tax re-  
turn while claiming a refundable energy  
credit, you should file Form 1040X or  
Form 1120X, or an amended income tax  
return, whichever applies.

As this schedule is printed, business  
energy property is not yet defined and pre-  
pared by the Internal Revenue Service.  
When these regulations are final, they will  
be printed in the Internal Revenue Bulle-  
tin and the Department of the Treasury  
is also publishing Publication 572, Tax In-  
formation on Investment Credit, to reflect  
the new business energy investment  
credit. You may want to obtain the regu-  
lations and the publication 572, and the  
information on the business energy investment credit,  
on the business energy investment credit.

### Sample Computation Schedule

Line (1)	Description of Asset Within Each Category of Properties (2)	Lifes years (3)	Basis (4)	Applicable percentage (5)	Qualified investment (column 5 column 5) (6)
(a)	3 or more but less than 5	33 1/3%			
(b)	5 or more but less than 7	66 2/3%			
(c)	7 or more	100			
(d)	1978 qualified progress expenditures	80			
(e)	1977 qualified progress expenditures*	60			
Total—Add lines (e) through (e), columns 4 and 6.					

\*Applies only to years ending 10-31-78 and 11-30-78.



Form  
5884Department of the Treasury  
Internal Revenue Service

## New Jobs Credit

See separate instructions.  
Attach to your tax return.

1978

Identifying number as shown on page 1 of  
your tax return

**Important**—The employer's wage and salary deduction must be reduced by the new jobs credit on line 13. (See instruction G.)

If you are a small business corporation, other jobs credit, complete only lines 16 through 21, or 22, respectively, and complete the balance of the form as applicable. If you are an individual who has more than one new jobs credit, see instruction H and the instruction for line 13 before completing the form.

1	Enter the total unemployment insurance wages (limited to \$4,200 for each employee) paid during calendar year 1978 (see instruction for line 1).	
2	Enter 102% of the total unemployment insurance wages (limited to \$4,200 for each employee) paid during calendar year 1977 (see instruction for line 2).	
3	Subtract line 2 from line 1.	
4	Enter 50% of line 3.	
5	Enter the smaller of line 4 or line 3.	
6	Enter total wages paid in calendar year 1978 (see instruction for line 6).	
7	Enter 105% of total wages paid in calendar year 1977 (see instruction for line 6).	
8	Subtract line 7 from line 6.	
9	Enter 50% of the smaller of line 5 or line 8.	
10	Enter the smaller of line 9 or \$100,000 (married individuals filing separately, estates and trusts, see instruction for line 10).	
11	Enter the unemployment insurance wages (limited to \$4,200 for each employee) paid to vocational rehabilitation referral employees during calendar year 1978 (see instruction E).	
12	Enter the smaller of (a) 10% of line 11 or (b) 20% of line 9.	
13	Current year new jobs credit—Add lines 10 and 12 (see instruction I for special limit). (Members of a group of trades or businesses under common control, small business corporations, partnerships, estates, and trusts, see instruction for line 13).	
14	Carryback and carryover of unused credit(s) (attach computation—see instruction F).	
15	Tentative new jobs credit—Add lines 13 and 14.	
<b>Limitation</b>		
16	Individuals—Enter amount from Form 1040, line 37, page 2.	
17	Estates and trusts—Enter amount from Form 1041, line 27 or 28, page 1.	
18	Corporations—Enter amount from Schedule J (Form 1120), line 9, page 3.	
19	Credit for the elderly (individuals only).	
20	Foreign tax credit.	
21	Investment credit.	
22	WIN credit.	
23	Credit for political contributions (individuals only).	
24	Credit for child and dependent care expenses (individuals only).	
25	Possession tax credit (corporations only).	
26	Tax on lump-sum distributions (see instruction for line 17(h)).	
27	Section 72(m)(5) penalty tax (individuals only).	
28	Total (add lines 16 through 27).	
29	Subtract line 18 from line 16. (All filers, other than shareholders, partners, or beneficiaries to which lines 20, 21, or 22 apply, are to skip lines 20 through 23; enter zero on line 24, and complete lines 25 through 27.)	
30	Shareholder's credit from Schedule K-1 (Form 1120S) plus unused new jobs credit (see instruction for line 13).	
31	Partner's credit from Schedule K-1 (Form 1065) plus unused new jobs credit (see instruction for line 13).	
32	Beneficiary's credit from Schedule K-1 (Form 1041) plus unused new jobs credit (see instruction for line 13).	
33	Line 20, 21, and 22 limits.	
34	Enter the smaller of line 20 or the amount figured by using the formula in the line 23 instruction.	
35	Enter the smaller of line 21 or the amount figured by using the formula in the line 23 instruction.	
36	Enter the smaller of line 22 or the amount figured by using the formula in the line 23 instruction.	
37	Add lines 23(a), (b), and (c).	
38	Subtract line 24 from line 19.	
39	Enter the smaller of line 15 or line 25 (if there is no entry on line 15, enter zero).	
40	Enter the smaller of line 38 or line 39.	
41	Enter the smaller of line 39 or line 26.	
42	Enter here and on Form 1040, line 44; Schedule J (Form 1120), line 10(c); page 3; or the appropriate line on other returns.	

Form 5884 (1978)

U.S. GOVERNMENT PRINTING OFFICE: 1978-0-385-184

# 1978

## Department of the Treasury

### Internal Revenue Service

#### Instructions for Form 5884

(1978-79 Fiscal Year Filers See Instructions for Form 5884-FY)

## New Jobs Credit

(References are to the Internal Revenue Code)

## General Instructions

Generally, employers who hire additional workers may claim a new jobs credit for their tax years beginning in 1978. This credit is usually based upon the employer's total unemployment insurance (FUTA) wages (limited to \$4,200 for each employee) paid during the 1978 calendar year. It is equal to 35% of the amount by which the employer's FUTA wages paid during 1978 exceeds the greater of:

- 102% of total FUTA wages paid during 1977; or
- 50% of total FUTA wages paid during 1978.

The credit is limited to the lesser of the following amounts:

- 50% of the excess of the total wages (determined without any dollar limitation) paid during 1978 over 105% of the total wages paid during 1977;
- \$100,000—married persons, filing separately and estates and trusts, see instruction for line 10 of this form (the total jobs credit of a taxpayer enterprise in more than one business enterprise may not exceed \$100,000); or
- Tax liability as defined in section 53.

To figure the credit and the limitation in item (1), fiscal year taxpayers with tax years beginning in 1978 must use the wages paid during 1977 and 1978 and not during their fiscal year. For example, if your tax year began 12/1/78, you would figure your credit and limitation in (1) above by taking into account wages paid during the calendar years 1977 and 1978.

An employer also is allowed an additional credit that is equal to 10% of the FUTA wages paid to vocational rehabilitation referral employees during the calendar year. See instruction E for definitions and limitations concerning this credit.

**A. Who Must File.**—Any individual estate, trust, organization, or corporation entitled to a new jobs credit, or any small business corporation, partnership, estate, or trust that apportions the credit among its shareholders, partners, or beneficiaries, must file Form 5884 to compute its income tax return. A Schedule K-1 showing the allocation of the credit to each

shareholder, partner, or beneficiary must also be attached to the income tax return, see section 521(f) and (g).

**B. New Employers.**—Employers who started in business in 1978 can qualify for the new jobs tax credit. Generally, the new jobs credit for new employers is equal to 25% of the total FUTA wages (limited to \$4,200 for each employee) paid during 1978.

**C. Credit Not Allowed.**—Generally, employers who are not subject to FUTA or who are not in business in 1978 are not eligible for the credit. See instruction D below for special rules regarding agricultural and railroad employers.

**D. Unemployment Insurance Wages.**—Generally, unemployment insurance wages are FUTA wages up to \$4,200 per employee. Agricultural employers are to use Federal Insurance Contribution Act (FICA) wages for FUTA purposes. FUTA wages are not covered by FUTA use 7% of the Railroad Unemployment Insurance Act (RUIA) wages up to \$4,200. See section 5101(1), (2) and (3).

**E. Vocational Rehabilitation Referral Employees.**—For 1978, employers may claim an additional credit of 10% of (1) the first \$4,200 of FUTA wages paid in 1978 to such employee in 1977. This additional credit is limited to 20% of the regular new jobs credit (line 9).

The wages to be taken into account for this type of employee are only those wages that are paid to the employee during a 12-month period beginning with the start of the employee's rehabilitation plan. The first payment must have occurred after 1976. (See section 51(e).)

A vocational rehabilitation referral employee is a handicapped employee who has been referred to the employer upon completion of a rehabilitation program. The employee must be receiving rehabilitation services under a State plan for vocational rehabilitation services approved under the Rehabilitation Act of 1973, or a program of vocational rehabilitation carried out under Chapter 31 of title 38, United States Code. (See section 51(f)(4).)

**F. Unused Credit.**—If the amount of the credit exceeds the tax liability, the excess (unused credit) may be carried over to the next year. See section 53, the excess (unused credit) may

be carried back to each of the 3 tax years preceding the year of the unused credit and afterwards may be carried forward to each of the 7 years following the year of the unused credit. (See section 53(c).)

**G. Employers' Deduction for Salaries and Wages.**—No deduction is allowed to an employer for salaries and wages paid or incurred for the tax year equal to the new jobs credit on line 13 of Form 5884. The salary and wage deduction is to be reduced even though the new jobs credit is not used for the current tax year. For example, an employer would be allowed a deduction of \$18,000 if the credit has tax liability of only \$18,000. The employer must reduce the salary and wage deduction by \$20,000 even though the allowable new jobs credit (line 27) is only \$18,000. The unused credit of \$2,000 may be used for carryback and carryforward purposes.

In most cases, employers must reduce their salaries and wages by the new jobs credit on their returns by the new jobs credit on line 13 of Form 5884. An employer that is a member of a group of trades or businesses under common control must reduce its salary and wage deduction by the amount of new jobs credit (line 13) apportioned to the group. (See instruction H(1) below.)

When salaries and wages are capitalized for depreciation, the amount subject to depreciation must be reduced by the part of the new jobs credit that applies to the salaries and wages being capitalized. For example, if an employer has a new jobs credit of \$1,000 and \$100 of this credit is attributable to salaries and wages being capitalized (which represent 10% of total wages), the amount subject to depreciation would be reduced by \$100. The \$900 balance (\$1,000 less \$100) would be entered on the appropriate line of Form 1120, line 13; Form 1065, line 13; Schedule C (Form 1040), line 31; etc.). (See section 280C and 1280C-1 of the regulations.)

**Note.** Attach a schedule to Form 5884 (or use the back of the form) to reconcile any differences for cases in which the new jobs credit is less than the new jobs credit on line 13 of Form 5884.

**H. Special Rules.**—

- Trades or businesses that are Under Common Control.—When there is a group of trades or businesses under common control, the new jobs credit according to section 51 is figured on the basis that all the organizations under common control are one trade or business. The new jobs credit is apportioned to each organization on the basis of each member's proportionate contribution to the increase in FUTA wages for the entire group. See section 52 and regulation 1.52-1 for definitions and other details.
- Adjustments for Certain Acquisitions and Dispositions.—See section 52(c) and regulation 1.52-2 concerning adjustments for the acquisition of a trade or business acquired or disposed of after 1975.

(3) **Change in Status from Self-Employed to Employee**—If during 1977 an individual has net earnings from self-employment in a trade or business, and during any portion of 1978 the individual is an employee, the credit allowable for the succeeding tax year the employer's aggregate FUTA wages for 1977 must be increased by an amount equal to the self-employment net earnings but not more than \$4,200.

(4) **Short Tax Year**—If the employer has more than one tax year in 1978, the new jobs credit shall be determined from the employer's last tax year beginning in 1978.

(5) **Wages paid by an employer to an employee**—If the employer's credit is taken into account only if more than one-half of the wages paid is for services performed in the United States in a trade or business of the employer.

**I. Mutual Savings Institutions, Regulated Investment Companies, Real Estate Investment Trusts, and Cooperatives.**—These institutions are not allowed the full section 51 credit. See regulations 1.52-3 for the applicable limits.

### Specific Instructions

**Line 1.**—Enter the total unemployment insurance wages paid in 1978. Generally, these wages would be reported on line 15(b) on the 1978 Form 940. Special rules apply to agricultural and railroad employees. (See section 51(f)(2) and (3).)

**Line 2.**—Generally, enter 102% of the total unemployment wages (line 15, 1977 Form 940) paid during calendar year 1977. Special rules apply to agricultural and railroad employees. (See section 51(f)(2) and (3).)

**Line 6.**—Enter total wages (disregarding any dollar limitation) paid in 1978. An employee's wages must be taken into account only if more than one-half of the wages paid during the calendar year are for services performed in a trade or business of the employer in the United States. Total wages include salaries, wages, honoraria, and salaries and wages paid to temporary or part-time employees, and the value of goods, lodging, food, and clothing which are subject to the FUTA tax. For agricultural and railroad employees, total wages paid include the above except that generally only cash remuneration is subject to the FICA and RUIA taxes. The special rules contained in instruction H also must be taken into account to figure these total wages.

Generally, for line 6, total wages would be reported on line 15(a) of the 1978 Form

940. For line 7, enter 105% of the sum of lines 13 and 15 of the 1977 Form 940.

**Line 10.**—If a husband and wife file separate returns, the \$100,000 limitation must be reduced to \$50,000 each. This credit does not apply if the one spouse has no interest in a trade or business for the tax year which ends within or with the other spouse's tax year.

For an estate or trust, the \$100,000 amount must be reduced to an amount equal to the credit allowable for the portion of the new jobs credit allocable to the estate or trust has to the entire amount of such credit.

**Line 13.**—When a group of trades or businesses are under common control (see instruction H(1)), the member of the group that made the greater proportionate contribution to the increase in FUTA wages of the group must report the computation of the group credit on lines 1 through 13. (See lines 14 through 27.) If the group has more than one member, determine its allowable new jobs credit, each member (including the above member) must enter its apportioned share of the current year's new jobs credit on line 13 and any unused credit from prior or subsequent years on line 14 or a separate line for each year. Lines 15 through 27 as applicable. Each member must attach to its Form 5884 a schedule showing the apportionment of the total group credit to the members of the group.

If the new jobs credit figured by an estate or trust is to be apportioned to the estate or trust itself as well as to the beneficiaries, the credit on line 13 is apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each. See instructions 14 through 27. Form 5884 a schedule showing this apportionment and enter and identify the estate's or trust's portion and the beneficiaries' portion in the margin to the right of line 13. The estate or trust then will complete lines 14 through 27, as applicable, to determine its allowable new jobs credit to be claimed on Form 1041. The beneficiaries' shares will be apportioned to each beneficiary and each beneficiary is to determine his or her allowable new jobs credit as explained below.

The credit figured on lines 1 through 13 by a beneficiary of an estate or trust, partner, or estate and trust is apportioned to the individual shareholders, partners, and beneficiaries, respectively. This apportioned credit and any unused credit from prior or subsequent years is entered on lines 20, 21, or 22 of a separate Form 5884 by these individuals. They must complete the limitation section of the separate Form 5884 to determine the allowable credit to be entered on Form 1040.

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**Note:** Where an individual shareholder, partner, or beneficiary is entitled to a new jobs credit from two sources, such as from a sole proprietorship and a partnership, the credit allowable for each source would be figured on lines 1 through 15 of Form 5884. The new jobs credit arising from the partnership would be entered on line 21 of the same form. Lines 16 through 27 would be completed to determine the total allowable credit for the partnership. The credit would be entered on the individual taxpayer's Form 1040.

**Line 17(b). Tax on lump-sum distributions.**—Individuals, estates, or trusts which are recipients of lump-sum distributions from qualified employees' trusts or annuity plans are to enter the amount of partial tax included in line 16. This partial tax is computed on Form 4972 and Form 5544.

**Line 23. Limits.**—The new jobs credit entered on lines 20, 21, or 22 is limited to the credit allowable for the year in which the credit is attributable to the shareholder, partner's, or beneficiary's interest in each small business corporation, partnership, estate, or trust from which the credit is derived.

The credit from each entity is limited to an amount computed in accordance with the following formula:

$$\text{Line 19} \times \frac{\text{Portion of person's taxable income included in the person's interest in each entity for the year reduced by the person's credit for the year}}{\text{Person's taxable income for the year (section 6101), if any}}$$

See section 63 for a definition of taxable income and regulation 1.53-1 for further information and examples of the computation of the limitation.

**Note:** The carryback or carryover of an unused new jobs credit resulting from the application of any of the limitations (line 23(a), 23(b), 23(c), or 25) is subject to these respective separate limitations as applicable for prior and subsequent years. (See instruction F.)

**Line 25.**—Line 25 contains the tax liability limitation credit. This credit is the limitation computed under section 53(b). This is the amount of the credit allowable from all sources, other than partnerships, estates and trusts, and small business corporations.

**\$100,000 Limitation.**—The total new jobs credit to be entered on line 23(a), 23(b), 23(c), 24, or 27 may not exceed the sum of (1) \$100,000, (2) the dollar amount of the credit allowable for the year attributable to the hiring of vocational rehabilitation referral employees, and (3) any unused new jobs credit from prior or subsequent years.

**Publication 902.**—For more detailed information please get Publication 902, Tax Information on Jobs Tax Credit, from your local Internal Revenue office.



## Part 2

# Forms and Instructions for 1979

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# U.S. Corporation Income Tax Return

**1120**  
Form  
Department of the Treasury  
Internal Revenue Service

For calendar year 1979 or other taxable year beginning 1979, ending 1979

Check if— A. Consolidated return B. Personal holding Co. C. Business Code No. (See instructions)	Name Number and street City or town, State, and ZIP code	0. Employer identification number (see instruction W) E. Date incorporated F. Enter total assets (see instruction D)
---	--	--

1. Gross receipts or sales	2. Less returns and allowances	3. Gross profit	4. Dividends (Schedule C)	5. Interest on obligations of the United States and U.S. instrumentalities	6. Other interest	7. Gross rents	8. Gross royalties	9. Capital gain net income (attach separate Schedule D)	10. Other income (see instructions—attach schedule)	11. TOTAL Income—Add lines 3 through 10
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12. Compensation of officers (Schedule E)	13. (a) Salaries and wages	14. Retainers (see instructions)	15. Bad debts (Schedule F if reserve method is used)	16. Rents	17. Taxes	18. Interest	19. Contributions (not over 5% of line 30 adjusted per instructions—attach schedule)	20. Amortization (attach schedule)	21. Depreciation from Form 4562 (attach Form 4562)	22. Depletion	23. Advertising	24. Pension, profit-sharing, etc. plans (see instructions) (enter number of plans)	25. Employee benefit programs (see instructions)	26. Other deductions (attach schedule)	27. TOTAL Deductions—Add lines 12 through 26	28. Taxable income before net operating loss deduction and special deductions (subtrahend line 27 from line 11)	29. Less: (a) Net operating loss deduction (see instructions—attach schedule)	30. Taxable income (subtrahend line 29 from line 28)
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31. TOTAL TAX (Schedule J)	32. Credits: (a) Overpayment from 1978 allowed as a credit	(b) 1979 estimated tax payments	(c) Less refund of 1979 estimated tax applied for on Form 4466	(d) Tax deposited from 7004	(e) Credit from regulated investment companies (attach Form 2439)	(f) Federal tax on special fuels and oils (attach Form 4136 or 4136-1)	33. TAX DUE (subtrahend line 32 from line 31). See instruction G for depositary method of payment.	(CHECK <input type="checkbox"/> If Form 2220 is attached. See page 3 of instructions.)	34. OVERPAYMENT (subtrahend line 31 from line 32)	35. Enter amount of line 34 you want credited to 1980 estimated tax
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Under penalties of perjury, I declare that I have prepared this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	Signature of officer	Signature of preparer	Preparer's social security no.	Preparer's title	Preparer's address	Preparer's phone no.	Preparer's ZIP code
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**1979**

Form 1120 (1979) **Schedule A Cost of Goods Sold** (See instructions for Schedule A) **Page 2**

1. Inventory at beginning of year	2. Merchandise bought for manufacture or sale	3. Salaries and wages	4. Other costs (attach schedule)	5. Total	6. Less: Inventory at end of year	7. Cost of goods sold—Enter here and on line 2, page 1	8. (a) Check all methods used for valuing closing inventory: (i) <input type="checkbox"/> Cost (ii) <input type="checkbox"/> Lower of cost or market as described in Regulations section 1.471-4 (see instructions) (iii) <input type="checkbox"/> Withdrown of "abnormal" goods as described in Regulations section 1.471-2(c) (see instructions)	(b) Did you use any other method of inventory valuation not described above?	(c) If "Yes," specify method used and attach explanation	(d) Check if this is the first year LIFO inventory method was adopted and used. (If checked, attach Form 970.)	(e) If the LIFO inventory method was used for this taxable year, enter percentage (or amounts) of closing inventory computed under LIFO	(f) Is the corporation engaged in manufacturing activities?	(g) If "Yes," are inventories valued under Regulations section 1.471-11 (full absorption accounting method)?	(h) Was there any substantial change in determining quantities, cost, or valuations between opening and closing inventory?
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<b>Schedule C Dividends</b> (See instruction 4)	
1. Domestic corporations subject to 85% deduction	2. Certain preferred stock of public utilities
3. Foreign corporations subject to 85% deduction	4. Dividends from wholly-owned foreign subsidiaries subject to 100% deduction (section 245(b))
5. Other dividends from foreign corporations	6. Includible income from controlled foreign corporations under subpart F (attach Form 3646)
7. Foreign dividend gross-up (section 78)	8. Qualifying dividends received from affiliated groups and subject to the 100% deduction (section 243(e)(3))
9. Taxable dividends from a DISC or former DISC not included in line 1 (section 246(c))	10. Other dividends
11. Total—Enter here and on line 4, page 1	

<b>Schedule E Compensation of Officers</b> (See instruction 12)	
1. Name of officer	2. Social security number
3. Time devoted to business	4. Compensation
5. Preferred	6. Amount of compensation
7. Expense account	8. Amount charged against reserve

<b>Schedule F Bad Debt—Reserve Method</b> (See instruction 15)	
1. Year	2. Trade sales and accounts receivable outstanding at end of year
3. Sales on account	4. Reserve provided
5. Reserve added to reserve	6. Amount charged against reserve
7. Reserve for bad debts at end of year	

<b>Schedule I Special Deductions</b> (See instructions for Schedule I)	
1. (a) 85% of Schedule C, line 1	(b) 59.13% of Schedule C, line 2
(c) 85% of Schedule C, line 3	(d) 100% of Schedule C, line 4
2. Total—See instructions for limitation	
3. 100% of Schedule C, line 8	4. Deduction for dividends paid on certain preferred stock of public utilities (see instructions)
5. Deduction for Western Hemisphere trade corporations (see instructions)	6. Total special deductions—Add lines 2 through 5. Enter here and on line 29(b), page 1



Form 1120 (1979)

Page 3

**Schedule J Tax Computation**

1 Taxable income (line 30, page 1) . . . . . ☐ Yes ☐ No  
 2 (a) Are you a member of a controlled group? . . . . . ☐ Yes ☐ No  
 (b) If "yes," see instructions and enter your portion of the \$25,000 amount in line 20, page 1, for  
 (i) \$ . . . . . (ii) \$ . . . . . (iii) \$ . . . . . (iv) \$ . . . . .  
 3 Income tax (see instructions to figure the tax; enter this tax or alternative tax from Schedule D, whichever is less). Check if from Schedule D ☐ . . . . .  
 4 (a) Foreign tax credit (attach Form 1118) . . . . .  
 (b) Investment credit (attach Form 3458) . . . . .  
 (c) Work incentive (WIN) credit (attach Form 4874) . . . . .  
 (d) Jobs credit (attach Form 5894) . . . . .  
 5 Total of lines 4(a), (b), (c), and (d) . . . . .  
 6 Subtract line 5 from line 3 . . . . .  
 7 Personal holding company tax (attach Schedule PH (Form 1120)) . . . . .  
 8 Tax from recomputing prior-year investment credit (attach Form 4255) . . . . .  
 9 Tax from recomputing prior-year WIN credit (attach computation) . . . . .  
 10 Minimum tax on tax preference items (see instructions—attach Form 4626) . . . . .  
 11 Total tax—Add lines 6 through 10. Enter here and on line 31, page 1. . . . .

**Schedule K Record of Federal Tax Deposit Forms 503**

(List deposits in order of date made—See instruction 6.)

Date of deposit	Amount	Date of deposit	Amount

11 (f) Did you claim a deduction for expenses connected with:

(a) Entertainment facility (boat, resort, ranch, etc.)? . . . . . ☐ Yes ☐ No

(b) Living accommodations (except employees on business)? . . . . . ☐ Yes ☐ No

(c) Employees attending conventions or meetings outside the U.S. or its possessions? . . . . . ☐ Yes ☐ No

(d) Employee's families at conventions or meetings? . . . . . ☐ Yes ☐ No

If "yes," were any of these conventions or meetings outside the United States or its possessions? . . . . . ☐ Yes ☐ No

(e) Employee or family members not reported on Form W-2? . . . . . ☐ Yes ☐ No

(f) Enter total amount claimed on Form 1120 for entertainment, entertainment facilities, gifts, travel, and conventions of the type for which substantiation is required under section 274(d). (See instruction 7.) . . . . .

12 (f) Did you at the end of the taxable year own, directly or indirectly, 1% or more of the total value of any corporation? . . . . . ☐ Yes ☐ No

If "yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; (c) taxable income or loss (e.g., if a Form 1120 from Form 1120, line 28, page 1) of such corporation for the taxable year ending with or within the taxable year; (d) highest and lowest amount owned to you by such corporation during the year; (e) highest and lowest amount owned to you by such corporation at the end of the taxable year; (f) partnership, corporation, estate or trust of the taxable year; (g) direct or indirect, 50% or more of your voting stock? (For rules of attribution, see section 267(c).) If "yes," complete (a) through (f). . . . .

(g) Attach a schedule showing name, address, and identifying number; (h) Enter percentage owned . . . . .

(i) Was the owner of such voting stock a person other than a U.S. person? (See instruction 8.) . . . . . ☐ Yes ☐ No

If "yes," enter owner's country . . . . .

(j) Enter highest amount owned by you to each owner during the year . . . . .

(k) Enter highest amount owned to you by each owner during the year . . . . .

(l) For purposes of (k) and (l), "highest amount owned" includes loans and accounts receivable/payable.

Form 1120 (1979)

Page 4

**Schedule L Balance Sheets**

ASSETS		Beginning of taxable year		End of taxable year	
	(a) Amount	(b) Total	(c) Amount	(d) Total	(e) Total
1 Cash . . . . .					
2 Trade notes and accounts receivable . . . . .					
3 Inventories . . . . .					
4 Gov't obligations: (a) U.S. and instrumentalities . . . . .					
(b) State, subdivisions thereof, etc. . . . .					
5 Other current assets (attach schedule) . . . . .					
6 Loans to stockholders . . . . .					
7 Mortgage and real estate loans . . . . .					
8 Other investments (attach schedule) . . . . .					
9 Buildings and other fixed depreciable assets . . . . .					
10 Depreciable assets . . . . .					
(a) Less accumulated depreciation . . . . .					
(b) Less accumulated depletion . . . . .					
11 Land (not of any amortization) . . . . .					
12 Intangible assets (amortizable only) . . . . .					
(a) Less accumulated amortization . . . . .					
13 Other assets (attach schedule) . . . . .					
14 Total assets . . . . .					
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
15 Accounts payable . . . . .					
16 Notes, notes payable in less than 1 yr. . . . .					
17 Other current liabilities (attach schedule) . . . . .					
18 Loans from stockholders . . . . .					
19 Notes, notes payable in 1 yr. or more . . . . .					
20 Other liabilities (attach schedule) . . . . .					
21 Capital stock: (a) Preferred stock . . . . .					
(b) Common stock . . . . .					
22 Paid-in or capital surplus . . . . .					
23 Retained earnings—Appropriated (attach sch.) . . . . .					
24 Retained earnings—Unappropriated . . . . .					
25 Less cost of treasury stock . . . . .					
26 Total liabilities and stockholders' equity . . . . .					

**Schedule M-1 Reconciliation of Income Per Books With Income Per Return**

Income Per Books		Income Per Return	
	(a) Amount	(b) Total	(c) Amount
1 Net income per books . . . . .			
2 Federal income tax . . . . .			
3 Excess of capital losses over capital gains . . . . .			
4 Income subject to tax not recorded on books this year (attach schedule) . . . . .			
5 Expenses recorded on books this year not deducted in this return (attach schedule) . . . . .			
(a) Depreciation . . . . .			
(b) Depletion . . . . .			
6 Total of lines 1 through 5 . . . . .			
7 Income recorded on books this year not included in this return (attach schedule) . . . . .			
(a) Tax-exempt interest . . . . .			
8 Deductions in this tax return not charged against book income this year (attach schedule) . . . . .			
(a) Depreciation . . . . .			
(b) Depletion . . . . .			
9 Total of lines 7 and 8 . . . . .			
10 Income (line 26, page 1) less lines 6 and 9 . . . . .			
11 Distributions: (a) Cash . . . . .			
(b) Stock . . . . .			
(c) Property . . . . .			
12 Other decreases (attach schedule) . . . . .			
13 Total of lines 10 and 11 . . . . .			
14 Balance at end of year (line 4 item 7) . . . . .			

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(References are to the Internal Revenue Code.)

A. Who must file Form 1120.—

## 2. Real estate investment trusts de-

#### 4. Insurance companies described in

ship or trust, it will be an association  
taxed as a corporation.

1. Foreign corporations other than life

2. Life insurance companies (section 902) — file Form 1120

4 Exempt farmers' cooperatives (section 1381) ☐ file Form 990.

6 Small business corporations (sec. 1361).

1120-DISC.

9. HOMEOWNERS ASSOCIATION (section 528)—file Form 1120-H.

agency is located in

New York (all other counties),  
Connecticut, Maine, Massachusetts

Atlanta, Kansas, Louisiana  
Austin, TX 73301

Utah, Washington, Wyoming

— 10 —







Schedule A. Identify this cost and the total amount in the Schedule "Other costs" to be attached to Form 1120.

### Schedule I—Special Deductions

(Numbered to correspond with line numbers in Schedule I.)

1. A small business investment company operating under the Small Business Investment Act of 1958 may deduct 100% of dividends received from domestic corporations subject to income tax. (Section 243(c)(2).)

No deduction is allowed under section 243 for a dividend from a DISC or for the extent such dividend is paid out of the corporation's accumulated DISC income or previously taxed income, or is a deemed distribution under section 995(b)(1).

In general, no dividends-received deduction will be allowed on any share of stock (a) that is disposed of if the corporation held it 15 days or less, or (b) to the extent the corporation is under an obligation to make corresponding payments with respect to substantially identical stock or securities.

2. Limitation on dividends-received deduction.—Line 2 may not exceed 85% of line 28, page 1, less the sum of lines 3 and 5 of Schedule D. For this purpose, line 28, page 1, is to be computed without regard to any capital loss carryback to the taxable year under section 1212 (a)(1).

In a year in which a net operating loss occurs, sections 172(d) and 246(b) provide that this 85% limitation does not apply even if the loss is created by the dividends-received deduction.

In the case of a small business investment company, the dividends received deduction of 100% included in line 2 is subject to the overall 85% limitation.

For certain corporations, see section 996 for the special limitation on the dividends-received deduction.

4. Deduction for dividends paid on certain preferred stock of public utilities.—Section 247 allows public utilities a deduction of 30.435% of the lesser of (1) dividends paid on their preferred stock during the taxable year, or (2) taxable income computed without regard to this deduction. In a year in which a net operating loss occurs, section 172(d) provides that the deduction is to be computed without regard to section 247(b)(1)(B).

5. Deduction for Western Hemisphere trade corporations.—Section 992 allows Western Hemisphere trade corporations a deduction of 4.344% of taxable income computed without regard to this deduction.

Methods should request permission to change to a method permitted for Federal income tax purposes, or further information, see Regulations, 26.1445-1(a)(3).

Check the method(s) used for valuing inventories in line 8(a). Under "lower of cost or market," market generally applies to normal market conditions where there is a current bid price prevailing at the date the inventory is valued. When no regular open market exists or when quotations are nominal because of inactive market conditions, use fair market prices from the most reliable sales or purchase transactions that occurred near the date the inventory is valued. For additional requirements, see Regulation section 1.471-4.

Inventory may be valued below cost when the merchandise is unsaleable at normal prices or unsaleable in the normal market because the goods are "subnormal" (that is, because of damage, imperfections, shop wear, etc.) within the meaning of Regulation section 1.471-2(c). Such goods may be valued at a current bona fide selling price less direct cost of disposition (but not less than scrap value) where the taxpayer can establish such a price. See Regulation section 1.471-2(c) for additional requirements.

In line 8(b), indicate whether you used a method of inventory accounting other than those described in line 8(a) and attach a statement describing the method used.

If this is the first year the "Last-in, First-out" (LIFO) inventory method provided in section 472 was adopted and used, attach Form 970 or a statement with the information required by Form 970 to Form 1120 and check the LIFO box in line 8(c). Enter the amount or percent (estimates may be used) of total closing inventories covered under section 472 in line 8(d).

Full absorption method of inventory costing.—Taxpayers engaged in manufacturing or production operations must use the full absorption method of inventory costing. If they are not using the full absorption method of inventory costing, they must change to this method under which both direct and certain indirect production costs are included for inventory valuation purposes. The change to full absorption may be made by filing Form 3115. For further details, see Rev. Proc. 75-40, 1975-2 CB 571 and Section 1.471-11 of the regulations.

Cost of operations (where inventories are net income-determining factor).—If the amount entered on line 2 includes an amount applicable to cost of operations, attach a schedule showing (1) salaries and wages and (2) other costs in detail.

For certain cooperatives, if per unit retain allocations are included on line 4,

Any loss from an activity not allowed for the tax year is treated as a deduction allocable to the activity in the next tax year.

See section 204(c)(2) and (3) of the Tax Reform Act of 1976 concerning special transitional rules relating to movies, video tapes, and leasing activities.

A closely held corporation that is a personal holding company—for the amount to be entered on line 28 of Form 1120, see Schedule P (Form 1120). Specific instructions for line 1 regarding section 465 losses.

29(a). Net operating loss deduction.—The "net operating loss deduction" is the sum of the net operating loss carryovers and carrybacks to the taxable years. (Section 172(e).)

Generally, a net operating loss may be carried back to each of the 3 years preceding the year of such loss and carried over to each of the 7 years following the year of such loss. (For taxable years beginning after September 30, 1979, the portion of the net operating loss attributable to a product liability loss may be carried back 10 years. (Section 172(b)(1)(F)).) Or, an election may be made whereby a net operating loss may just be carried over to each of the 7 years following the year of such loss. The election is made by attaching a statement to a timely filed return, including extensions, and is irrevocable. After applying the net operating loss to the first taxable year to which it may be carried, the portion of the loss that may be carried to each of the remaining taxable years is the excess, if any, of the loss over the net operating loss which the loss may be carried. (Section 172(b).)

If there is a carryback of a net operating loss, net capital loss, an unused investment credit, unused work-in-progress credit, unused job credit, or the loss of the taxable year for a "quick refund" of taxes. (Section 6411.)

See section 172 for special rules, limitations, and definitions pertaining to net operating loss carryovers and carrybacks.

29(b). Special deductions.—See instructions for Schedule I.

### Schedule A—Cost of Goods Sold

Valuation Methods.—Your inventories can be valued at: (a) cost, (b) cost or market value (whichever is lower), or (c) any other method approved by the Commissioner of Internal Revenue, where those methods conform with the provisions of the applicable regulations cited below.

289-114-2

Also include contributions to a qualified pension plan, profit-sharing plan, Section 120 imposes certain rules on an employer which will permit employees (including spouses and dependents) to exclude from income employer contributions to a qualified group-term life insurance plan.

26. Other deductions.—Generally, no deduction is allowable for the amount of any item or part of it allocable to a class of exempt income. (See section 265(2) for exceptions.)

If patronage dividends are included in line 26, page 1, Form 1120, identify this deduction and the total amount in the schedule "Other deductions" to be attached to Form 1120.

28. Taxable income.—Effective for taxable years beginning after December 31, 1976, special "at-risk" rules under section 465 generally apply to closely held corporations engaged in any activity as a trade or business or for the production of income. Such corporations may have to adjust the amount on line 28, page 1, to reflect the "at-risk" rules. These rules apply to net operating loss carryovers and carrybacks under section 465(c)(3)(D)(ii). These "at-risk" rules apply to a closely held corporation which may or may not be a personal holding company.

A closely held corporation that is NOT a personal holding company—The amount to be entered on line 28 of Form 1120 is to be adjusted for section 465(d) losses. Section 465(d) losses are limited to the aggregate amount with respect to which the closely held corporation is "at risk" for each separate activity at the close of the tax year.

Where the corporation is involved in more than one activity, and one or more of the activities incurs a loss for the year, the loss must be reported separately. The corporation should attach a schedule reflecting the amount "at risk" and gross income and deductions for the activities with the losses.

If a loss from an activity exceeds the amount the closely held corporation is "at risk" for the activity at the end of the tax year, the amount that would otherwise be entered on line 28 of Form 1120 is to be modified for the excess. (Attach schedule.)

If the corporation sells or otherwise disposes of an asset in, or its interest in (either total or partial), an activity to which the "at-risk" rules apply, combine the gain or loss on the sale or disposition with the profit or loss from the activity to determine the net profit or loss from the activity. If the corporation has a net loss, it may be limited because of the "at-risk" rules.

5

period of certain contributions made before January 1, 1977 for on-the-job training, the contribution is deductible for child care facilities.

Certified Historic Structures.—You may elect to amortize rehabilitation expenditures for certain certified historic structures. Section 191 allows amortization to be figured using a period of 60 months. Section 167(o) allows an accelerated method of depreciation if you substantially rehabilitate a certified historic structure.

If you elect amortization for these expenditures or elect to take an accelerated method of depreciation: (1) answer "Yes" to Questions 5(1) on page 3; (2) attach to the return a copy of the final certification letter issued by the Department of the Interior approving the rehabilitation or, if no such letter has been issued, (3) attach to the return a copy of a completed first page of U.S. Department of the Interior Form FHR-8-253a, Historic Preservation Certification Application—Part 2 (as submitted to the Department of the Interior).

Under 5(c), include on this line the amortizable basis of the property. This is the amount that is permitted to be deducted over the 60-month period.

21. Depreciation.—See instructions for Form 4562, Depreciation.

22. Depletion.—See section 613 and 613A for percentage depletion rates applicable to natural deposits. Attach Form T if a deduction is claimed for depletion of timber.

24. Pension, profit-sharing, etc., plans.—The number of plans to be entered refers to all plans for which all assets have not been distributed. Also include any plans in which assets were distributed in the current year. The number of plans is indicated whether or not a deduction is claimed.

Except for Simplified Employee Pension Plans, complete Form 5500 for each plan and file a separate return. Form 5500 is required for each plan with more than 100 participants at the beginning of the plan year. See instructions for above forms for computation of allowable deduction on line 24. File these forms on or before the last day of the 7th month following the close of the plan year. ERISA imposes penalties for failure to furnish complete information and failure to file statements and return reports.

25. Employee benefit programs.—Enter the amount of contributions to employee benefit programs (e.g., insurance, health and welfare programs) that are not an incidental part of a pension, profit-sharing, etc., plan included on line 24.

tributions are authorized by the board of directors during the taxable year. A declaration, signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the taxable year, and a copy of the resolution, must both be attached to the return.

Attach to the return showing the name of each organization and the amount paid. If a contribution is made in property other than money, describe the kind of property contributed and the method used in determining its fair market value. If a contribution carryover is included, show the amount and how it was determined.

Special rule for contributions of certain property.—If a charitable contribution of property is made, the contribution must be reduced by the sum of (1) the ordinary income, short-term capital gain, and (2) for certain contributions, 60.87 percent of the long-term capital gain.

that would have resulted if the property were sold at its fair market value. The reduction for 60.87 percent of the long-term capital gain applies to (1) contributions of tangible personal property for use by or in connection with the basis of a pension, profit-sharing, etc., plan, or (2) contributions of property to or for the use of certain private foundations. (Section 170 (e).)

For special rules regarding the contribution of inventory, and other ordinary income property to certain organizations, see section 170(e)(3).

Bargain sale to a charitable organization.—If a charitable contribution deduction is taken for property sold to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

20. Amortization.—Generally, if a deduction is claimed for amortization, you must attach a schedule showing: (1) a description of the expenditures being amortized; (2) date acquired, completed, or expended; (3) amount being amortized; (4) amortization deducted in prior years; (5) amortization period (number of months); (6) amortization for this year; and (7) the total amount of amortization less the amount claimed in Schedules A and elsewhere on the return.

See section 169 and related regulations for conditions under which the cost of certified pollution control facilities may be amortized over 60 months.

See section 186 and related regulations for amortization over a 60-month











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**Schedule J Deemed and Actual Distributions to Shareholders for the Taxable Year (See instructions for Schedule J)**

Form 1120-DISC (1979)

**PART I—Deemed Distributions Under Section 955(b)(1)**

- Gross interest derived during the year from producer's loans (section 955(b)(1)(A))
- Gain recognized on the sale or exchange of property (section 955(b)(1)(B)) (see instructions—attach schedule)
- Gain recognized on the sale or exchange of property (section 955(b)(1)(C)) (see instructions—attach schedule)
- 50% of taxable income attributable to military property (section 955(b)(1)(D)) (see instructions—attach schedule)
- Total (add lines 1 through 4)
- Taxable income (line 12, page 1)
- Adjusted taxable income (subtract line 5 from line 6) (enter here and on line 1, Part II)
- Taxable income attributable to base period export gross receipts (section 955(b)(1)(E)) (from line 22, Part II)
- Subtract line 8 from line 7 (enter zero if less than zero)
- 50% of line 9 (section 955(b)(1)(F))
- International boycott income (section 955(b)(1)(G)) (see instructions)
- Amount of illegal bribes and other payments (section 955(b)(1)(H)) (see instructions)
- Total of lines 5, 8, 10, 11, and 12
- Earnings and profits for year (see instructions—attach schedule)
- Enter the smaller of line 13 or line 14 (but not less than zero)
- Foreign investment attributable to producer's loans (section 955(b)(1)(G)) (see instructions—attach schedule)
- Total deemed distributions under section 955(b)(1) (add lines 15 and 16)

**PART II—Computation of Taxable Income Attributable to Base Period Export Gross Receipts**

- Adjusted taxable income (from line 7, Part I)
- Enter the larger of (a) 365 divided by the number of days in your taxable year or (b) 1 (one)
- Annualized adjusted taxable income (line 1 times line 2)
- Annualized adjusted taxable income of all other DISCs in your controlled group (see instructions for exceptions)
- Line 3 plus line 4 (if \$100,000 or less see instructions)
- Taxable years beginning in 1972, 1973, 1974, and 1975 (use a separate line for each full or part year, starting with the earliest)

A. Beginning of year (month, day, year)	B. End of year (month, day, year)	C. Qualified export receipts as described in Section 955(a)(1)(A), (B), (C), (D), and (H) (see instructions for credit reduction)	D. 50 percent of qualified export receipts as described in Section 955(a)(1)(A), (B), (C), (D), and (H) (see instructions for credit reduction)
(a)			
(b)			
(c)			
(d)			
(e)			
(f)			
(g)			
(h)			
(i)			
(j)			
(k)			
(l)			
(m)			
(n)			
(o)			
(p)			
(q)			
(r)			
(s)			
(t)			
(u)			
(v)			
(w)			
(x)			
(y)			
(z)			

- Enter the smaller of (a) 1,461 divided by the number of days in your base period or (b) 1 (one)
- Line 6(p) times line 7
- Adjusted base period export gross receipts (line B times line 9)
- Additions to adjusted base period export gross receipts
- Adjusted base period export gross receipts of all other DISCs in your controlled group
- Other additions (attach schedule—see instructions)
- Total additions (line 11(a) plus line 11(b))
- Line 10 plus line 11(c)
- Qualified export receipts as described in sections 955(a)(1)(A), (B), (C), (D), and (H). (Add the amounts from Schedule B, Columns B and D, lines 1(c), 2(b), 2(c), and 2(d))
- 50 percent of qualified export receipts on line 13(a) attributable to military property
- Export gross receipts (subtract line 13(b) from line 13(a))
- Annualized export gross receipts (line 2 times line 13(c))
- Annualized export gross receipts of all other DISCs in your controlled group
- Line 14 plus line 15
- Enter the smaller of (a) line 12 divided by line 16 or (b) 1 (one)
- Line 5 times line 17
- Small DISC phaseout
  - Enter the greater of (a) \$150,000 less line 5 (but not more than \$50,000) or (b) zero
  - Line 19(a) times 2 (two)
- Subtract line 19(b) from line 18 (enter zero if less than zero)
- Line 1 divided by line 5
- Taxable income attributable to base period export gross receipts (line 20 times line 21) (enter here and on line 8, Part I)

Form 1120-DISC (1979)

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**Schedule C Dividends (See instructions for Schedule C)**

- Domestic corporations subject to the 85% deduction
- Certain preferred stock of public utilities
- Foreign corporations subject to the 85% deduction
- Dividends from wholly-owned foreign subsidiaries subject to the 100% deduction (section 245(b))
- Other dividends from foreign corporations
- Includable income from controlled foreign corporations under subpart F (attach Forms 3646)
- Taxable dividends from a DISC or former DISC not included in line 1 (section 246(d))
- Other dividends
- Total (add lines 1 through 7)
- Qualified dividends—Enter the qualified dividends here and on line 2(e), column D, Schedule B
- Nonqualified dividends (subtract line 1D from line 9)—Enter here and on line 3(e), column D, Schedule B

**Schedule E Deductions (See instructions for Schedule E)**

- Export promotion expenses:
  - Market studies
  - Advertising
  - Depreciation (attach Form 4562)
  - Salaries and wages
  - Rents
  - Sales commissions
  - Warehousing
  - Freight (excluding insurance—see instructions)
  - Compensation of officers
  - Repairs (see instructions)
  - Amortization (attach schedule)
  - Pension, profit-sharing, etc. plans (see instructions) (enter number of plans)
  - Employee benefit programs
  - Other (list)
- Total (add lines 1(a) through 1(n))—Enter here and on line 7, page 1
- Other expenses not deducted above:
  - Bad debts (Schedule F if reserve method is used)
  - Taxes
  - Interest
  - Contributions (not over 5% of line 12, page 1 adjusted per instructions—attach schedule)
  - Freight
  - Freight insurance
  - Other (attach schedule)
- Total (add lines 2(a) through 2(g))—Enter here and on line B, page 1

**Schedule F Bad Debts—Reserve Method**

1. Year	2. Reserve and percentage receivable outstanding at the end of the year	3. Sales on account	4. Current year's provision	5. Recoveries	6. Amount charged against the reserve	7. Reserve for bad debts at the end of the year
1974						
1975						
1976						
1977						
1978						
1979						

**Schedule I Dividends received Deduction (See instructions for Schedule I)**

- 85% of line 1, Schedule C
- 59.13% of line 2, Schedule C
- 85% of line 3, Schedule C
- 100% of line 4, Schedule C

**2. Total**—See instructions for limitation. Enter here and on line 11(b), page 1



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Form 1120-DISC (1979)

## Schedule L Balance Sheets

	(A) Beginning of the taxable year	(B) End of the taxable year
<b>1 Qualified assets:</b>		
(a) Working capital (cash and necessary temporary investments)		
(b) Funds awaiting investment (cash in U.S. banks in excess of working capital needs to acquire other qualified export assets)		
(c) Export Import Bank obligations		
(d) Trade receivables (accounts and notes receivable)		
(e) Subtract allowance for bad debts		
(f) Export property (net) (including inventory and qualified property held for lease)		
(g) Producer's loans		
(h) Investment in related foreign export corporations		
(i) Depreciable assets		
(j) Subtract accumulated depreciation		
(k) Other (attach schedule)		
<b>2 Nonqualified assets (net) (list):</b>		
<b>3 Total assets</b>		
<b>Liabilities and Stockholders' Equity</b>		
4 Accounts payable		
5 Other current liabilities (attach schedule)		
6 Mortgages, notes, bonds payable in 1 year or more		
7 Other liabilities (attach schedule)		
8 Capital stock		
9 Paid-in or capital surplus		
10 Other earnings and profits		
11 Previously taxed income (sec. 996(f)(2))		
12 Accumulated DISC income		
13 Less cost of treasury stock		
14 Total liabilities and stockholders' equity		

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Form 1120-DISC (1979)

## Schedule M-1 Reconciliation of Income per Books With Income per Return

	(A) Beginning of the taxable year	(B) End of the taxable year
<b>1 Net income per books</b>		
2 Excess of capital losses over capital gains		
3 Taxable income not recorded on books this year (itemize)		
4 Expenses recorded on books this year not deducted in this return (itemize)		
5 Total of lines 1 through 4		
<b>6 Income recorded on books this year not included in this return (itemize)</b>		
7 Deductions in this return not charged against book income this year (itemize)		
8 Total of lines 6 and 7		
9 Income (line 10, page 1) (line 5 less line 8)		

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Form 1120-DISC (1979)

## Schedule M-2 Analysis of Other Earnings and Profits (Line 10 above)

	(A) Beginning of the taxable year	(B) End of the taxable year
1 Balance at the beginning of the year		
2 Increases (itemize)		
3 Total of lines 1 and 2		
4 Deficit in earnings and profits		
5 Deficit in earnings and profits		
6 Distributions to qualify under sec. 992(c)		
7 Other decreases (itemize)		
8 Total of lines 5, 6, and 7		
9 Balance at end of year (line 4 less line 8)		

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Form 1120-DISC (1979)

## Schedule M-3 Analysis of Previously Taxed Income (Line 11 above)

	(A) Beginning of the taxable year	(B) End of the taxable year
1 Balance at the beginning of the year		
2 Distributions under section 992(b)		
3 Other increases (itemize)		
4 Total of lines 1, 2, and 3		

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Form 1120-DISC (1979)

## Schedule M-4 Analysis of Accumulated DISC Income (Line 12 above)

	(A) Beginning of the taxable year	(B) End of the taxable year
1 Balance at the beginning of the year		
2 Increases (itemize)		
3 Total of lines 1 and 2		
4 Deficit in earnings and profits		
5 Redemptions under section 996(d)		
6 Distributions to qualify under sec. 992(c)		
7 Distributions upon disqualification (sec. 995(b)(2))		
8 Other decreases (itemize)		
9 Total of lines 4 through 8		
10 Balance at end of year (line 3 less line 9)		

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Form 1120-DISC (1979)

## Schedule N Export Gross Receipts of the DISC and Related U.S. Persons (Attach separate Schedule N (Form 1120-DISC))

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Form 1120-DISC (1979)

## Schedule P Computation of Inter-company Transfer Price or Commission (Attach separate Schedule P (Form 1120-DISC))

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Form 1120-DISC (1979)

## Schedule K Shareholder's Statement of DISC Distribution

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Form 1120-DISC (1979)

## Schedule K Shareholder's Statement of DISC Distribution

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## Schedule K Shareholder's Statement of DISC Distribution

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Form 1120-DISC (1979)

## Schedule K Shareholder's Statement of DISC Distribution

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Form 1120-DISC (1979)

## PART III—Deemed Distributions Under Section 995(b)(2)

- 1 Annual installment of distribution attributable to revocation of election in a prior year
- 2 Annual installment of distribution attributable to a failure to qualify as a DISC in a prior year
- 3 Total deemed distributions under section 995(b)(2) (add line 1 and line 2)

## PART IV—Actual Distributions

- 1 Distributions to meet qualification requirements under section 992(c) (attach computation)
- 2 Other actual distributions
- 3 Total of line 1 and line 2
- 4 Amount on line 3 treated as distributed out of:
  - (a) Previously taxed income
  - (b) Accumulated DISC income (including DISC income of the current year)
  - (c) Other earnings and profits
  - (d) Other

## Schedule K Shareholder's Statement of DISC Distribution

(Attach a separate Copy A, Schedule K (Form 1120-DISC) for each shareholder receiving a deemed or actual distribution. Give Copy B to the shareholder. See instructions on the back of Copy C.)

## Additional Information Required

H Did you claim a deduction for expenses connected with:

- (1) Entertainment (fealty, boat, resort, ranch, etc.)?
- (2) Living accommodations (except employees on business)?
- (3) Employees attending conventions or meetings outside the U.S. or its possessions?
- (4) Employees' families at conventions or meetings outside the United States or its possessions?

If "Yes," were any of these conventions or meetings outside the United States or its possessions?

(5) Employee or family vacations not reported on Form W-2?

I Enter total amount claimed on Form 1120-DISC for entertainment, entertainment facilities, gifts, travel, and conventions of the type for which substantiation is required under section 274(d) of the Internal Revenue Code. (See instruction S.)

J Refer to page 8 of the instructions and state the principal:

Business activity

Product or service

K Were you a U.S. shareholder of any controlled foreign corporation?

(See sections 951 and 957.) If "Yes," attach Form 3646 (and Form 2952 where appropriate) for each corporation.

L Did you file all required Forms 1087, 1096, and 1099?

M (1) Did 95% or more of your gross receipts for the taxable year consist of qualified export receipts (as defined in section 993(a)?

(2) Did the adjusted basis of your qualified export assets (as defined in section 993(b)) at the close of the taxable year equal or exceed 95% of the sum of the adjusted basis of all your assets at the close of the taxable year?

(3) If the answer to (1) or (2) is "No," did you make a pro rata distribution of property as defined in section 992(c)?

N (1) Did you have more than one class of stock at any time during the taxable year?

(2) Was the par or stated value of your stock at least \$2,500 on each day (for a new corporation, on the last day for making an election and for each succeeding day) of the taxable year?

O Are you a member of a controlled group that includes other DISCs?

If "Yes," see instruction R.

(1) Report in Part II, Section B of Schedule N the names, addresses, and employer identification numbers of the DISCs.

(2) State the name and employer identification number of the DISC in your controlled group completing Columns 3 and 4 of Part I, Sections A and B of Schedule N. See specific instruction B, Schedule N (Form 1120-DISC).

Name

Employer identification number

P Did you have your own bank account?

Q Did you maintain separate books and records?

R Did you, at any time during the taxable year, have an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country?

If "Yes," see instruction R.

S Were you the grantor of, or transferor to, a foreign trust which existed during the current taxable year, whether or not you have any beneficial interest in it?

If "Yes," you may be required to file Forms 3520, 3520-A, or 926.

T During the tax year was any part of your tax accounting records maintained on a computerized system?

If "Yes," see instruction R.

U During the tax year was any part of your tax accounting records maintained on a computerized system?

If "Yes," see instruction R.

V During the tax year was any part of your tax accounting records maintained on a computerized system?

If "Yes," see instruction R.

W During the tax year was any part of your tax accounting records maintained on a computerized system?

If "Yes," see instruction R.

X During the tax year was any part of your tax accounting records maintained on a computerized system?

If "Yes," see instruction R.

Y During the tax year was any part of your tax accounting records maintained on a computerized system?

If "Yes," see instruction R.

Z During the tax year was any part of your tax accounting records maintained on a computerized system?

If "Yes," see instruction R.

AA During the tax year was any part of your tax accounting records maintained on a computerized system?

If "Yes," see instruction R.

# 1979 Department of the Treasury

## Internal Revenue Service

### Instructions for Form 1120-DISC

#### Domestic International Return

(References are to the Internal Revenue Code)

#### Sec. 992. Requirements of a DISC

(a) **General rule.**—A DISC is a corporation that is incorporated under the laws of any State or the District of Columbia, and satisfies the following conditions for the taxable year:

- (1) 95% or more of its gross receipts (as defined in section 993(f)) consists of qualified export receipts (as defined in section 993(a));
- (2) the adjusted basis of its qualified export assets (as defined in section 993(b)) at the end of the taxable year is at least 25% of the sum of the adjusted basis of all its assets at the end of the taxable year;
- (3) it does not have more than one class of stock and the par or stated value of its outstanding stock is at least \$2,500 on each day for a new corporation, on the first day of its first taxable year, and on each succeeding day of the taxable year;
- (4) it has made an election to be treated as a DISC and the election is in effect for the taxable year;
- (5) it has its own bank account on each day of the taxable year (for exceptions, see section 1 992-1(b) of the Regulations); and
- (6) it is not an ineligible corporation.

(b) **Election.**—An election by an existing corporation to be treated as a DISC for a taxable year must be made at any time during the 90 day period immediately preceding the beginning of the taxable year and by a new corporation, on or before the beginning of the first taxable year.

In general, the election will be valid only if all persons who are shareholders in the corporation on the first day of the first taxable year for which the election is effective consent to the election. (See section 4876. Election to be treated as a DISC.)

An election may be terminated by a revocation of the election for any taxable year after the first taxable year for which the election is effective if made at any time during the first 90 days of the taxable year (or, for the first taxable year, at any time during the year in which made, if made after the close of such 90 days).

The election will be terminated by the continued failure of the corporation to be a DISC for each of any 5 consecutive taxable years for which an election is effective.

(c) **Distributions to meet qualification requirements.**—A corporation

(5) stock or securities of a related foreign export corporation;

(6) certain obligations, issued, guaranteed, or insured, in whole or in part, by the Export-Import Bank of the U.S. or the Foreign Credit Insurance Association in those cases where the obligations are acquired from the bank or association or from the seller or purchaser of the obligations, in which the obligations arose;

(7) certain obligations, issued by a domestic corporation organized solely for the purpose of financing sales of export property pursuant to an agreement with the Export-Import Bank of the U.S. under which the corporation makes export loans guaranteed by the bank; and

(8) amounts (other than reasonable amounts) paid or incurred by the U.S. that are allocated during the period provided by regulations to acquire other qualified export assets.

(9) **Export property.**—Export property is property (except property excluded under section 993(c)(2) and property in short supply):

- (1) manufactured, produced, grown, or extracted in the U.S. by a person other than a DISC;
- (2) held primarily for sale, lease, or business, by, or to, a DISC, for direct use, consumption, or disposition outside the U.S.;
- (3) whose fair market value is not more than 50% attributable to articles imported into the U.S.; and
- (4) not sold or leased (i) by a DISC, or with a DISC as commission agent, or (ii) by a DISC to a member of the same controlled group (as defined in section 993(a)(3)) as the DISC or (iii) by any person to a Western Hemisphere trade corporation (as defined in section 921) that is a related person (a member of the same controlled group) or a relationship that would result in a disallowance of losses under section 267 or section 707(b) immediately before or after a transaction with respect to the seller, lessor, or commission agent.

(d) **Producer's loans.**—An obligation subject to the rules provided in section 993(d)(2) and (3) will be treated as arising out of a producer's loan if:

- (1) the loan, when added to the unpaid balance of all other producer's loans, does not exceed the total of the accumulated DISC receipts for the month in which the loan was made;
- (2) the obligation is evidenced by a note (or other evidence of indebtedness) with a stated maturity date of more than 5 years from the date of the loan;
- (3) the loan is made to a person engaged in the U.S. in the manufacture, production, growing, or extraction of export property; and

(4) it is designated as a producer's loan at the time of the loan.

(e) **Related foreign export corporation.**—A DISC may acquire and receive income in the form of dividends and interest from the following investments that are related to exports from the U.S.:

**Foreign international sales corporation (FISC).**—A foreign corporation is a related foreign export corporation if:

- (1) stock possessing more than 50% of the total combined voting power of all classes of stock entitled to vote is owned directly by the DISC;
- (2) 95% or more of the foreign corporation's gross receipts for its taxable year ending within the taxable year of the DISC consist of qualified export receipts described in section 993(a)(1)(A) through (D); and
- (3) the adjusted basis of the qualified export assets held by the foreign corporation equals or exceeds 95% of the sum of the adjusted basis of all assets held by it at the close of the taxable year.

**Real property holding company.**—A foreign corporation is a related foreign export corporation if:

- (1) stock possessing more than 50% of the total combined voting power of all classes of stock entitled to vote is owned directly by the DISC; and
- (2) the corporation is to hold title to its exclusive interest in real property (under a lease or otherwise) of the DISC because of a requirement of applicable foreign law that the DISC cannot hold title.

**Associated foreign corporation.**—A foreign corporation is a related foreign export corporation if:

- (1) less than 10% of the total combined voting power of all classes of the foreign corporation's stock entitled to vote is owned directly by the DISC or by a controlled group of corporations (within the meaning of section 1563) of which the DISC is a member; and
- (2) the ownership of stock and securities in the foreign corporation by the DISC is determined to be reasonable for the purposes of the related export transactions giving rise to qualified export receipts of the DISC.

(f) **Gross receipts.**—The term gross receipts means the total receipts from the sale, lease, or rental of property held primarily for sale, lease, or rental in the ordinary course of a trade or business and gross income from all other sources.

(g) **United States.**—U.S. includes the Commonwealth of Puerto Rico and the possessions of the U.S.

#### Sec. 994. Inter-Company Pricing Rules

In the case of a sale of export property to a DISC by a person described in section 482, the taxable income of the DISC and the other person may be based upon a transfer price which would allow the DISC to derive taxable income attributable to the sale (regardless of the actual sale price and the actual amount which does not exceed the greatest of:

- (1) 4% of the qualified export receipts on the sale of the property by the DISC plus 10% of the export promotion expenses of the DISC attributable to the receipts;
- (2) 50% of the combined taxable income of the DISC and the person to whom the property is sold, derived from export receipts on the property derived as the result of a sale by the DISC plus 10% of the export promotion expenses of the DISC attributable to the receipts; or
- (3) taxable income based upon the sale price actually charged (subject to the rules provided in section 482) to the person to whom the property is sold, less the related person to price at a loss. See Schedule P (Form 1120-DISC).

Export promotion expenses are those expenses incurred to advance the distribution or sale of export property for use, consumption, or distribution outside the U.S. They include freight expenses to the extent of 50% of the cost of shipping export property aboard airplanes owned and operated by U.S. persons or ships documented under the laws of the U.S. in those cases where the regulations do not require that the property be shipped aboard such airplanes or ships.

#### General Instructions

**A. Corporations required to file Form 1120-DISC.**—Form 1120-DISC must be filed by a domestic corporation that has elected to be treated as a DISC and has satisfied the requirements under section 992 for treatment as a DISC for the taxable year.

A "former DISC" (as defined in section 992(a)(3)), in addition to filing any other return required, must file Form 1120-DISC and Form 1120-DISC-10 (if it is a former DISC). The former DISC need not complete those items pertaining to the computation of taxable income, but must complete Schedules J, K, L, and M (Form 1120-DISC).

#### B. Where to file—

If the principal business office or agency is in the United States, use the following instructions.

Nonresident alien, foreign corporation, or foreign partnership, use the following instructions.

203-118-1











### Interest in transactions between related taxpayers.

See section 461(g) for limitation on deduction for prepaid interest by a cash basis taxpayer.

**2(f). Contributions.**—Enter contributions made by the corporation to the taxable year or for the use of the charitable and governmental organizations described in section 170(c) and any unused contributions carried over from prior years.

The total amount claimed may not exceed 5% of taxable income (line 12 of page 1) computed without regard to the dividends-received deduction on (line 11(b) of page 1). (3) Deductions allowed for net operating loss carryback to the taxable year under section 172, and the capital loss carryback to the taxable year under section 1212(b)(1). Charitable contributions in excess of the 5% limitation may not be deducted for the taxable year but may be carried over to the next 5 taxable years.

A contribution carryover is not allowed to the extent that it increases a net operating loss carryover. See section 170(d)(2)(B).

Corporations on the accrual basis may elect to deduct contributions paid on or before the 15th day of the 3d month following the taxable year in which the contributions are authorized by the board of directors during the taxable year. A declaration, signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the taxable year, and a copy of the resolution, must both be attached to the return.

Attach a schedule showing the name of the property contributed, the date paid, if a contribution is made in property other than money, describe the kind of property contributed and the method used in determining its fair market value. If a contribution carryover is included, show the amount and how it was determined.

**Special rule for contributions of certain property.**—If a charitable contribution of property is made, the contribution must be reduced by the sum of:

- (1) the ordinary income and
- (2) for certain contributions, 60.87% of the long-term capital gain,

that would have resulted if the property were sold at its fair market value. The reduction applies to (1) contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and (2) contributions of any property to or for the use of certain private foundations. (Section 170(e).)

For special rules regarding the contribution of inventory, and other ordi-

### nary income property to certain organizations, see section 170(e)(3).

**Bargain sale to a charitable organization.**—If a charitable contribution deduction for a bargain sale of depreciable property is claimed, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the ratio realized is to the fair market value of the property.

**2(e). Freight.**—Enter the freight expense not deducted on line 1(h) as an export promotion expense.

**2(g). Other.**—No deduction is allowable for any amount allocable to the dividends-received deduction on (line 11(b) of page 1). (3) Deductions allowed for net operating loss carryback to the taxable year under section 172, and the capital loss carryback to the taxable year under section 1212(b)(1).

If an item is indirectly attributable both to taxable income and exempt income, a reasonable proportion of the item, determined in the light of all the facts and circumstances, for each class, must be allocated to each.

Attach a statement showing (1) the amount of each class of expense items allocated to each class, and (2) the amount of expense items allocated by apportionment separately.

### Schedule I.—Dividends-received deduction

1. In general, no dividends received deduction will be allowed on any share of stock (a) that is disposed of before the corporation has held it 15 days or (b) to the extent the corporation has received dividends or other distributions with respect to substantially identical stock or securities.

No deduction is allowed under section 243 for a dividend from a DISC or former DISC (as defined in section 992(b)) to the extent it is paid out of accumulated DISC income or previously taxed income or is a deemed distribution pursuant to section 995(b)(1).

2. Limitation on dividends-received deduction.—Line 2 may not exceed 85% of line 10, page 1.

For this purpose, line 10 is to be computed without regard to any capital loss deduction for the taxable year under section 1212(a)(1).

In a year in which a net operating loss occurs, sections 122(d) and 246(b) provide that this 85% limitation does not apply even if the loss is created by the dividends-received deduction.

### Schedule J.—Deemed and actual distributions to shareholders for the taxable year

Part I.—Deemed distributions under section 995(b)(1). (Numbered to correspond with the line numbers in Part I of Schedule J.)

2. Attach a computation showing the gain (or loss) on the sale of the taxable year on the sale or exchange of property, other than property which is in the hands of the DISC is stock in trade or other property described in section 1221(1) previously transferred to it in a transaction in which gain was not recognized in whole or in part, but only on the net increase in the transferor's gain on the previous transfer was not recognized.

3. Attach a computation showing the gain (or loss) on the sale of the taxable year on the sale or exchange of property (other than property which is in the hands of the DISC is stock in trade or other property described in section 1221(1) previously transferred to it in a transaction in which gain was not recognized in whole or in part, but only on the net increase in the transferor's gain on the previous transfer was not recognized).

4. For purposes of computing the portion of taxable income attributable to military property, use the gross income for the year, attributable to military property and the deduction allowed to such income. See section 38 of the Internal Revenue Code, and the Arms Export Control Act of 1976 (22 USC 2778) and regulations thereunder (22 CFR 121.01) for definition of "military property."

11. Under section 995(b)(1)(F)(ii), a DISC is deemed to distribute the entire amount of its income attributable to participation in or cooperation with an international boycott. See Form 9713 for computation of this deemed distribution. For purposes of this section, any DISC with operations in or related to a "boycotted" country.

12. Under section 995(b)(1)(F)(iii), a DISC is deemed to distribute the amount of any illegal bribe, kickback or other payment paid by or on behalf of the DISC, directly or indirectly, to an official, employee or agent of any government.

14. Attach a computation showing the earnings and profits for the taxable year.

For purposes of computing the earnings and profits for taxable years beginning after June 30, 1972, the allowance for depreciation (and amortization) for the taxable year in which would be allowable for a company which had been used for each taxable year beginning after June 30, 1972. See section 312(b)(2) for exception.

16. Attach a computation showing the amount of (1) foreign investment attributable to producer's loans (as defined in section 995(d)) of the DISC for the taxable year; (2) all accumulated earnings and profits including

earnings and profits for the taxable year less the amount on line 15, Part I; and (3) accumulated DISC income. Enter the smaller of these 3 amounts (but not less than zero) on line 16.

Foreign investment attributable to producer's loans will be the smallest of these 3:

- (1) the net increase in foreign assets by members of the controlled group (as defined in section 993(a)(3)) that includes the DISC;
- (2) the actual foreign investment by the members of the controlled group;
- (3) the amount of the DISC's outstanding producer's loans to members of the controlled group.

For the definitions of "net increase in foreign assets" and "actual foreign investment," see sections 995(d)(2) and 995(d)(3).

Part II.—Computation of Base Period Import Gross Receipts

(Numbered to correspond with the line numbers in Part II of Schedule J.)

4. Include the annualized taxable income for the base period, as defined in section 993(a)(3), for the latest taxable year ending with or within your taxable year.

5. If this amount is \$100,000 or less, omit lines 6 through 21, and enter zero on line 22 and on line B, Part I.

### Codes for Principal Business Activity

These industry titles and definitions are based, in general, number for the specific industry group from which the largest percentage of "total receipts" is derived. "Total receipts" means all income (line 4, page 1). On page 5, question 1, state the principal business activity and principal product or service of the taxpayer. The largest percentage of total receipts must be derived from one of the following establishments. However, certain activities such as manufacturing, do not apply to a DISC.

Using the list below, enter on page 1, under B, the code

TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, AND SANITARY SERVICES	
Code	Code
Transportation	
4400	4400 Water transportation
4410	4410 Other transportation services
4420	4420 Electric, gas, and sanitary services
4430	4430 Electric, gas, and sanitary services
4440	4440 Gas production and distribution
4450	4450 Sanitary services
4460	4460 Combination utility services
WHOLESALE TRADE	
Code	Code
4500	4500 Machinery, equipment, and supplies
4510	4510 Motor vehicles and automotive equip-
4520	4520 ment, furniture, and home furnishings
4530	4530 Lumber and construction materials
4540	4540 Sporting, recreational, photographic,
4550	4550 Metals and minerals, except petroleum
4560	4560 and scrap
4570	4570 Hardware, plumbing and heating equip-
4580	4580 ment
4590	4590 Other durable goods
RETAIL TRADE	
Code	Code
5000	5000 Building materials, hardware, garden supply,
5010	5010 and mobile home dealers
5020	5020 Hardware stores
5030	5030 General merchandise stores
5040	5040 Grocery stores
5050	5050 Other food stores
5060	5060 Motor vehicles and spare parts
5070	5070 Motor vehicle dealers
5080	5080 Gasoline service stations
5090	5090 Other automotive dealers

**SECTION I** To Be Completed for Income From U.S. Sources That Is Not Effectively Connected With the Conduct of a Trade or Business Within the U.S.

you are required to complete Section II or are using the form as a claim for refund of tax withheld at the source, include in this section all income from U.S. sources that is not effectively connected with the conduct of a trade or business in the U.S. Otherwise, you may include only those items of income on which the U.S. income tax was not fully paid at the source. The rate of tax on each item of income stated below is 30% unless limited by tax treaty. Fill in treaty rates where applicable.

Name of treaty country, if any ▶	Nature of Income	Amount		Rate of tax (%)	Amount of tax
	1 Interest . . . . .				
	2 Dividends . . . . .				
	3 Rents . . . . .				
	4 Royalties . . . . .				
	5 Annuities . . . . .				
	6 Gains from disposal of timber, coal, or domestic iron ore with a retained economic interest (attach statement of details) . . . . .				
	7 Gains from certain evidences of indebtedness issued after September 28, 1965 and before April 1, 1972 . . . . .				
	8 Gains from certain evidences of indebtedness issued after May 27, 1969 and before April 1, 1972 . . . . .				
	9 Gains from certain evidences of indebtedness issued after March 31, 1972 . . . . .				
	10 An amount equal to the original issue discount accrued since the first payment of interest on gains from certain evidences of indebtedness issued after March 31, 1972 (but not in excess of the interest less the tax imposed on the interest) . . . . .				
	11 Gains from sale or exchange of patents, copyrights, etc. . . . .				
	12 Fiduciary distributions (attach a statement showing the kind of income and rate) . . . . .				
	13 Other fixed or determinable annual or periodical income (specify): . . . . .				

4 Total—Enter here and on line 1, page 1 . . . . .

[illegible]

## U.S. Income Tax Return of a Foreign Corporation

for calendar year 1979 or other taxable year beginning 1979, and ending

1979

Employer Identification number

Number and street

Number and street

City or town. State and ZIP code, or country

**NOTE:** Complete Section I to compute tax on income from U.S. sources that is NOT effectively connected with the conduct of a trade or business within the U.S. Complete Section II to compute tax on income effectively connected with the conduct of a trade or business within the U.S.

Corporations having both income effectively connected and income not effectively connected must complete both Sections 1 and 11.  
Corporations having only income that is HOF effectively connected need file only pages 1 and 2.

**A Country of incorporation**

**B** Foreign country under whose laws the income reported on this return is subject to tax ☐ Yes ☐ No

**C** Date incorporated

**D** The corporation's books are in care of

E Were you at any time during the taxable year engaged in  
located at

F Did you have a permanent establishment in the U.S. at  
 a trade or business within the U.S.? . . . . . Yes ☐ No ☐  
 year

Note: For purposes of G(1) and G(2), "highest amount owed" includes loans

any time during the taxable year within the meaning of section 854(b) and any applicable tax convention between

If "Yes," name the foreign country \_\_\_\_\_

the U.S. and a foreign country? . . . . . ☐ Yes ☐ No

ing taxable year. . . . . ☐ 1993 ☐ 1994 ☐ 1995 ☐ 1996 ☐ 1997 ☐ 1998 ☐ 1999 ☐ 2000 ☐ 2001 ☐ 2002 ☐ 2003 ☐ 2004 ☐ 2005 ☐ 2006 ☐ 2007 ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011 ☐ 2012 ☐ 2013 ☐ 2014 ☐ 2015 ☐ 2016 ☐ 2017 ☐ 2018 ☐ 2019 ☐ 2020 ☐ 2021 ☐ 2022 ☐ 2023 ☐ 2024 ☐ 2025 ☐ 2026 ☐ 2027 ☐ 2028 ☐ 2029 ☐ 2030 ☐ 2031 ☐ 2032 ☐ 2033 ☐ 2034 ☐ 2035 ☐ 2036 ☐ 2037 ☐ 2038 ☐ 2039 ☐ 2040 ☐ 2041 ☐ 2042 ☐ 2043 ☐ 2044 ☐ 2045 ☐ 2046 ☐ 2047 ☐ 2048 ☐ 2049 ☐ 2050 ☐ 2051 ☐ 2052 ☐ 2053 ☐ 2054 ☐ 2055 ☐ 2056 ☐ 2057 ☐ 2058 ☐ 2059 ☐ 2060 ☐ 2061 ☐ 2062 ☐ 2063 ☐ 2064 ☐ 2065 ☐ 2066 ☐ 2067 ☐ 2068 ☐ 2069 ☐ 2070 ☐ 2071 ☐ 2072 ☐ 2073 ☐ 2074 ☐ 2075 ☐ 2076 ☐ 2077 ☐ 2078 ☐ 2079 ☐ 2080 ☐ 2081 ☐ 2082 ☐ 2083 ☐ 2084 ☐ 2085 ☐ 2086 ☐ 2087 ☐ 2088 ☐ 2089 ☐ 2090 ☐ 2091 ☐ 2092 ☐ 2093 ☐ 2094 ☐ 2095 ☐ 2096 ☐ 2097 ☐ 2098 ☐ 2099 ☐ 2100 ☐ 2101 ☐ 2102 ☐ 2103 ☐ 2104 ☐ 2105 ☐ 2106 ☐ 2107 ☐ 2108 ☐ 2109 ☐ 2110 ☐ 2111 ☐ 2112 ☐ 2113 ☐ 2114 ☐ 2115 ☐ 2116 ☐ 2117 ☐ 2118 ☐ 2119 ☐ 2120 ☐ 2121 ☐ 2122 ☐ 2123 ☐ 2124 ☐ 2125 ☐ 2126 ☐ 2127 ☐ 2128 ☐ 2129 ☐ 2130 ☐ 2131 ☐ 2132 ☐ 2133 ☐ 2134 ☐ 2135 ☐ 2136 ☐ 2137 ☐ 2138 ☐ 2139 ☐ 2140 ☐ 2141 ☐ 2142 ☐ 2143 ☐ 2144 ☐ 2145 ☐ 2146 ☐ 2147 ☐ 2148 ☐ 2149 ☐ 2150 ☐ 2151 ☐ 2152 ☐ 2153 ☐ 2154 ☐ 2155 ☐ 2156 ☐ 2157 ☐ 2158 ☐ 2159 ☐ 2160 ☐ 2161 ☐ 2162 ☐ 2163 ☐ 2164 ☐ 2165 ☐ 2166 ☐ 2167 ☐ 2168 ☐ 2169 ☐ 2170 ☐ 2171 ☐ 2172 ☐ 2173 ☐ 2174 ☐ 2175 ☐ 2176 ☐ 2177 ☐ 2178 ☐ 2179 ☐ 2180 ☐ 2181 ☐ 2182 ☐ 2183 ☐ 2184 ☐ 2185 ☐ 2186 ☐ 2187 ☐ 2188 ☐ 2189 ☐ 2190 ☐ 2191 ☐ 2192 ☐ 2193 ☐ 2194 ☐ 2195 ☐ 2196 ☐ 2197 ☐ 2198 ☐ 2199 ☐ 2200 ☐ 2201 ☐ 2202 ☐ 2203 ☐ 2204 ☐ 2205 ☐ 2206 ☐ 2207 ☐ 2208 ☐ 2209 ☐ 2210 ☐ 2211 ☐ 2212 ☐ 2213 ☐ 2214 ☐ 2215 ☐ 2216 ☐ 2217 ☐ 2218 ☐ 2219 ☐ 2220 ☐ 2221 ☐ 2222 ☐ 2223 ☐ 2224 ☐ 2225 ☐ 2226 ☐ 2227 ☐ 2228 ☐ 2229 ☐ 2230 ☐ 2231 ☐ 2232 ☐ 2233 ☐ 2234 ☐ 2235 ☐ 2236 ☐ 2237 ☐ 2238 ☐ 2239 ☐ 2240 ☐ 2241 ☐ 2242 ☐ 2243 ☐ 2244 ☐ 2245 ☐ 2246 ☐ 2247 ☐ 2248 ☐ 2249 ☐ 2250 ☐ 2251 ☐ 2252 ☐ 2253 ☐ 2254 ☐ 2255 ☐ 2256 ☐ 2257 ☐ 2258 ☐ 2259 ☐ 2260 ☐ 2261 ☐ 2262 ☐ 2263 ☐ 2264 ☐ 2265 ☐ 2266 ☐ 2267 ☐ 2268 ☐ 2269 ☐ 2270 ☐ 2271 ☐ 2272 ☐ 2273 ☐ 2274 ☐ 2275 ☐ 2276 ☐ 2277 ☐ 2278 ☐ 2279 ☐ 2280 ☐ 2281 ☐ 2282 ☐ 2283 ☐ 2284 ☐ 2285 ☐ 2286 ☐ 2287 ☐ 2288 ☐ 2289 ☐ 2290 ☐ 2291 ☐ 2292 ☐ 2293 ☐ 2294 ☐ 2295 ☐ 2296 ☐ 2297 ☐ 2298 ☐ 2299 ☐ 2300 ☐ 2301 ☐ 2302 ☐ 2303 ☐ 2304 ☐ 2305 ☐ 2306 ☐ 2307 ☐ 2308 ☐ 2309 ☐ 2310 ☐ 2311 ☐ 2312 ☐ 2313 ☐ 2314 ☐ 2315 ☐ 2316 ☐ 2317 ☐ 2318 ☐ 2319 ☐ 2320 ☐ 2321 ☐ 2322 ☐ 2323 ☐ 2324 ☐ 2325 ☐ 2326 ☐ 2327 ☐ 2328 ☐ 2329 ☐ 2330 ☐ 2331 ☐ 2332 ☐ 2333 ☐ 2334 ☐ 2335 ☐ 2336 ☐ 2337 ☐ 2338 ☐ 2339 ☐ 2340 ☐ 2341 ☐ 2342 ☐ 2343 ☐ 2344 ☐ 2345 ☐ 2346 ☐ 2347 ☐ 2348 ☐ 2349 ☐ 2350 ☐ 2351 ☐ 2352 ☐ 2353 ☐ 2354 ☐ 2355 ☐ 2356 ☐ 2357 ☐ 2358 ☐ 2359 <

6 (1) Did you at the end of the taxable year own, directly or indirectly, 50% or more of the voting stock of a U.S. corporation? (Indicate if stockholder, 957A)

If "Yes," attach a schedule showing: (a) name, address and identifying number of each corporation; (b) rules of attribution, see section 261(c); (c) ☐ Yes ☐ No

Form 1120 for the taxable year ending on or within your taxable year, (d) bar, (b) percentage owned, (c) taxable income or (loss) from line 28, page 1. If "Yes," have you filed Forms 957 and 958? (See 6035.) ☐ Yes ☐ No

**c.** Are you a controlled foreign corporation? (Sec. 957.) ☐ Yes ☐ No

1 Tax from Section 1 (line 14, page 2).  
2 Tax from Section 11 (line 21, Schedule J—Tax Computation, page 5).  
3 Personal holding company tax (attach Schedule PH (Form 1120)).

4 Minimum tax (see instructions) . . . .	
<b>TOTAL tax—Add lines 1 through 4 . . .</b>	*

5 Credits: (e) Overpayment from 1978 allowed as a credit.  
(h) 1979 estimated tax payments

(c) 1979 estimated tax payments: \_\_\_\_\_

(c) Less refund of 1979 estimated tax applied for on Form 4456, \_\_\_\_\_

(d) Tax deducted with Form 7004 \_\_\_\_\_

(f) Credit from regulated investment companies (attach Form 2439) . . . . .

(d) U.S. tax on special fuels, nonhighway gas, and lubricating oil (attach Forms 4136 and 4136-1T) . . . . .

(e) U.S. income tax paid or withheld at the source . . . . .

7 Total (add lines 6(e) through 6(h)) . . . . .

8 TAX DUE (subtract line 7 from line 5). See instruction C for depositary method of payment. . . . .

9 OVERPAYMENT (subtract line 5 from line 7) . . . . . Refunded ▲  
10 Enter amount of line 9 you want: Credited to 1990 estimated tax ▲

Under penalty of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true and correct. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer	Date
Signature of	Signature of
Title	Title
Church of	Church of

Prepare a signature and data	Prepare a self-em- played	Prepare a social security
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<b>P</b>	Printed name (last first middle initial) yourself, if self-employed (last first middle initial)	<b>Lt. no.</b>	<b>ZIP code</b>
<b>I</b>	Institute or organization		
<b>A</b>	Address		
<b>C</b>	City		
<b>S</b>	State		
<b>Z</b>	Zip		

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**SECTION II** To Be Completed for Income Effectively Connected With the Conduct of a Trade or Business Within the U.S.

1

	1 (a) Gross receipts or sales \$	1(b) Less returns and allowances \$	1(c) Balance
2 Cost of goods sold (Schedule A) end/or operations (attach schedule)			
3 Gross profit (subtract line 2 from line 1(c))			
4 Dividends (Schedule C)			
5 Interest on obligations of the U.S. and its instrumentalities			
6 Other interest			
7 Gross rents			
8 Gross royalties			
9 (a) Capital gain net income (attach Schedule D Form 1120)			
(b) Net gain or (loss) from line 11, Part II, Form 4797 (attach Form 4797)			
10 Other income (see instructions—attach schedule)			
11 TOTAL Income—Add lines 3 through 10			

## DEDUCTIONS

12 Compensation of officers (Schedule E)	13(c) Balance
13 (a) Salaries and wages	
14 Repairs (see instructions)	
15 Bad debts (Schedule F if reserve method is used)	
16 Rents	
17 Taxes	
18 Interest	
19 Contributions (not over 5% of line 30 adjusted per instructions—attach schedule)	
20 Amortization (attach schedule)	
21 (a) Depreciation (from line 4, column (d), Form 4562 (attach Form 4562))	
(b) Depreciation claimed in Schedule A and elsewhere on return	
(c) Balance (subtract line 21(b) from line 21(a))	
22 Depletion	
23 Advertising	
24 Pension, profit-sharing, etc. plans (see instructions) (enter number of plans)	
25 Employee benefit programs (see instructions)	
26 Other deductions (total from page 5)	
27 TOTAL deductions—Add lines 12 through 26	
28 Taxable income before net operating loss deduction and special deductions (subtract line 27 from line 11)	
29 (a) Net operating loss deduction (see instructions—attach schedule)	
(b) Special deductions (Schedule 1)	
30 Taxable income or (loss) (subtract line 29 from line 28)	

**Schedule A**  
**Cost of Goods Sold (See instructions for Schedule A)**

1 Inventory at beginning of year . . . . .  
2 Merchandise bought for manufacture or sale . . . . .  
3 Salaries and wages . . . . .  
4 Other costs (attach schedule) . . . . .  
5 Total (add lines 1 through 4) . . . . .  
6 Subtract: Inventory at end of year . . . . .  
7 Cost of goods sold—Enter here and on line 2 (GROSS INCOME) . . . . .

8 (a) Check all methods used for valuing closing inventory:  
Cost ☐ Lower of cost or market as described in regulations section 1.471-4 (see instructions)  
Writedown of "abnormal" goods as described in regulations section 1.471-2(c) (see instructions)  
(b) Did you use any other method of inventory valuation not described above? ☐ Yes ☐ No

If "Yes," specify method used and attach explanation ▶ . . . . .  
(c) Check if this is the first year LIFO inventory method was adopted and used . . . . .  
If checked, attach Form 970. ☐

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(e) If the LIFO inventory method was used for this taxable year, enter percentage (for amount) or closing inventory computed under FIFO.

(f) Is the corporation engaged in manufacturing activities?  
 If "Yes," are inventories valued under Regulations section 1.471-11 (full absorption accounting method)?

(g) Was there any substantial change in determining quantities, cost, or valuations between opening and closing inventory?  
 If "Yes," attach explanation.

**Schedule C Dividends (See instruction 4)**

1	Domestic corporations subject to the 85% deduction	
2	Certain preferred stock of public utilities	
3	Foreign corporations subject to the 85% deduction	
4	Other dividends from foreign corporations	
5	Foreign dividend gross-up (section 78)	
6	Taxable dividends from a DISC or a former DISC not included in line 1 (section 246(d))	
7	Other	
Total—Enter here and on line 4, page 3, (GROSS INCOME)		

**Schedule E Compensation of Officers (See instruction 12)**

[illegible]

Total compensation of officers—Enter here and on line 12 0388 3 (DEDUCTIONS)

**Schedule E** **Bad Debts—Reserve Method (See instruction 15)**

Year	2. Trade notes and accounts receivable ending at end of 1967	3 Sales on account	Amount added to reserve		6. Amount charged against reserve	7. Reserve for bad debts at end of year
			4. Current year provision	5. Recoveries		
74						
75						
76						
77						
78						
79						

**Schedule I** Special Deductions (See Instructions for Schedule I)

Dividends received: (a) 65% of line 1, Schedule C	
(b) 59.13% of line 2, Schedule C	
(c) 85% of line 3, Schedule C	
Total—May not exceed 85% of line 28, page 3. The 85% limitation does not apply to a year in which a net operating loss occurs	
Deduction for dividends paid on certain preferred stock of public utilities (see instructions)	
Total special deductions—Add lines 2 and 3. Enter here and on line 29(b), page 3 (DEDUCTIONS)	





election is to apply (1) a statement making the election, (2) a complete schedule of all real property, or any interest in real property, of which the taxpayer is titular or beneficial owner, which is located in the U.S., (3) a statement indicating the extent to which the taxpayer has direct or beneficial ownership in each item of real property, or interest in real property, (4) the legal identification and location of the real property or interest in the real property, (5) a description of any substantial improvements on the property, and (6) any other information required by regulations.

If you make this election, complete Section II to compute the tax on such income.

**H. Source of income.**—Gross income of a foreign corporation includes only (1) gross income that is derived from sources within the U.S. and that is not effectively connected with the conduct of a trade or business within the U.S., and (2) gross income (regardless of source) that is not effectively connected with the conduct of a trade or business within the U.S. Except as otherwise provided by the convention, determine the source of income under sections 861 through 864 and the regulations thereunder.

**I. Trade or business within the U.S.**—A foreign corporation that is a member of a partnership or is a beneficiary of an estate or trust will be considered to be engaged in a trade or business within the U.S. if the partnership, estate, or trust is so engaged.

Under some circumstances, the term "trade or business within the U.S." does not include the trading of stocks, securities, or commodities through a resident broker, commission agent, custodian, or other independent agent. Special rules apply when the corporation is trading for its own account.

For details concerning trading in stocks, securities, or commodities, see section 864(b)(2).

**J. Period to be covered by the 1979 return.**—File the 1979 return for calendar year 1979 and fiscal years beginning in 1979 and ending in 1980. If the return is for a fiscal year, fill in the taxable year space on the form.

**Final return.**—If the corporation ceases to exist, write "FINAL RETURN" at the top of the form.

**Amended return.**—Correct any error by filing an amended Form 1120F.

**Change in accounting period.**—To change an accounting period, see section 1122-1 of the regulations and Form 1122-1. Application for Change in Accounting Period.

**K. Personal holding companies.**—A foreign corporation that is a personal holding company is defined in section 542, but not a foreign personal holding

considered a foreign corporation for purposes of the tax imposed by section 881. In general, the income consists of the following types of income described in section 881 (to the extent not effectively connected with the conduct of a trade or business within the U.S.):

1. Interest (other than original issue discount as defined in section 1232(b)), dividends, rents, and royalties, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, and other fixed or determinable annual or periodical gains, profits, and income;

2. Gains described in section 631(b) or (c) from disposal of timber, coal, or other mineral property, or with a retained economic interest;

3. In the case of:

(a) bonds or other evidences of indebtedness issued after September 28, 1962, and before April 1, 1972, amounts which under section 1232(a)(2)(B) are considered as gain from the sale or exchange of property which is not a capital asset and, in the case of corporate obligations, issued after May 27, 1969 and before April 1, 1972, amounts which would be so considered but for the fact that the obligations were issued after May 27, 1969;

(b) bonds or other evidences of indebtedness issued after March 31, 1972 and payable more than 6 months from the date of original issue (without regard to the period paid by the taxpayer), amounts which under section 1232(a)(2)(B) would be considered as gain from the sale or exchange of property which is not a capital asset but for the fact that the obligations were issued after May 27, 1969;

(c) the payment of interest on an obligation described in (b) above, an amount equal to the original issue discount (but not in excess of the interest less the tax imposed at a 30% or lower treaty rate) accrued on the obligation since the last payment of interest; and

4. Certain gains from the sale or exchange of patents, copyrights, or other intangible property, as described in section 881(a)(4).

Complete Section I of the form to compute the tax on such income.

**G. Election to treat real property income as effectively connected income.**—A foreign corporation having income from real property located in the U.S., or from any interest in such real property, including (1) gains from the sale or exchange of real property or interest in real property, (2) rents or royalties from mines, wells, or other natural deposits, and (3) gains described in section 631(b) or (c), may elect to treat the income as being effectively connected with the conduct of a trade or business within the U.S. (See section 882(d).)

The election may be made by attaching to the return for the year to which the

effectively connected with the conduct of a trade or business within the U.S. (see instruction E), and at a 30% or lower treaty rate on income from U.S. sources that is not effectively connected with the conduct of a trade or business within the U.S. (See instruction F.)

**E. Income effectively connected with the conduct of a trade or business within the U.S.**—Foreign corporations engaged in a trade or business within the U.S. are taxed at regular corporate tax rates on the following income:

1. All income, gain, or loss from U.S. sources derived in the conduct of the trade or business;

2. Certain fixed or determinable annual or periodical income from U.S. sources and gain or loss from U.S. sources from the sale or exchange of capital assets if (a) the entire gain, or loss, is received by the corporation, and held for sale, the conduct of the corporation's trade or business, or (b) the activities of the corporation's trade or business were a material factor in the realization of the income, gain, or loss;

3. Under certain circumstances, limited categories of income from foreign sources will be treated as effectively connected income.

A foreign corporation not engaged in a trade or business within the U.S. will not have any effectively connected income unless (1) it elects under section 882(d) to treat real property income as effectively connected income (see instruction G), or (2) it is a corporation created or organized in a U.S. possession and conducts a banking business in a U.S. possession and receives interest on U.S. obligations (in such case the interest will be treated as effectively connected income).

All gains on the disposition of stock in a DISC or former DISC and all distributions out of accumulated DISC income, including deemed distributions, are treated as effectively connected with the conduct of a trade or business conducted through a permanent establishment within the U.S.

For further details relating to effectively connected income, see section 864(c).

Complete Section II of the form to compute the tax on such income.

**F. Income from U.S. sources not effectively connected with the conduct of a trade or business.**—If the U.S. source income is engaged in a trade or business, the gross amount of this type of income is subject to tax at a 30% or lower treaty rate. No deductions are allowed against income that is not effectively connected with the conduct of a trade or business within the U.S.

A corporation created or organized in Guam or under the law of Guam is not

## C. Payment of tax—

(1) **Foreign corporations having an office or place of business within the U.S.**—The balance of tax due (line 8, page 1) must be paid in full when the return is filed or in two installments—50% by the 15th day of the 3d month and 50% by the 15th day of the 6th month after the close of the taxable year.

Deposit corporation income tax payments and estimated tax payments with a preincubated Federal Tax Deposit (FTD) Form 503. Make these tax deposits with either a financial institution qualified as a depository for Federal taxes or the Federal Reserve Bank or Branch (FRB) serving the geographic area where the corporation is located. Records of deposits will be sent to the Internal Revenue Service for crediting to the corporation's account. See the instructions on the back of Form 503 for additional information and exceptions.

The timeliness of deposits will be determined by the date received by the financial institution or FRB. If a tax payment is made by mail, a deposit received after the due date will be considered timely if the taxpayer establishes that it was mailed on or before the second day before the due date.

Deposits made by check or money order must be made by the 15th day of the 3d month or before the 15th day of the 6th month after the close of the taxable year. The tax may be paid by check or money order drawn to the order of "Internal Revenue Service" and remitted to the Internal Revenue Service Center, Philadelphia, PA 19253.

**D. Taxation of foreign corporations.**—Foreign corporations are taxed at regular corporate tax rates on income that is effectively connected with the conduct of a trade or business within the U.S.

## 6012.

If a foreign corporation has no office or place of business in the U.S. at the time a return is due, but has an agent in the U.S., the agent must file the return. (Section 882(f).)

**Exceptions.**—(1) A foreign corporation that is engaged in a trade or business in the U.S. is not required to file if its tax liability for the taxable year is fully satisfied by the withholding of tax at the source.

This exception does not apply to:

(a) a foreign corporation which has income for the taxable year which is treated under section 882(f) or (g) as income effectively connected with the conduct of a trade or business in the U.S. by that corporation for the taxable year;

(b) a foreign corporation making a claim for the refund of an overpayment of tax for the taxable year, or

(c) a foreign corporation described in section 1.532-1(c) of the regulations whose accumulated taxable income for the taxable year is determined under section 1.535-1(b) of the regulations.

(2) A foreign corporation that is a beneficiary of an estate or trust which is engaged in a trade or business in the U.S. is not required to make a return for the taxable year merely because it is deemed to be engaged in a trade or business within the U.S. under section 875(2). However, the foreign corporation will be required to make a return if it otherwise satisfies the filing requirements.

(3) Foreign insurance companies described in section 1.6012-2(c)(1) and (2) of the regulations must file Form 1120F or Form 1120M. All other foreign insurance companies must file Form 1120F.

**B. Where and when to file.**—All foreign corporations (whether or not engaged in a trade or business within the U.S.) must file their return with the Internal Revenue Service Center, Philadelphia, PA 19255.

Foreign corporations having an office or place of business within the U.S. must file on or before the 15th day of the 3d month following the end of their taxable year.

Foreign corporations NOT having an office or place of business within the U.S. must file on or before the 15th day of the 6th month following the end of their taxable year.

## Department of the Treasury

## Internal Revenue Service

## 1979 Instructions for Form 1120F

## U.S. Income Tax Return of a Foreign Corporation

(References are to the Internal Revenue Code.)

## General Instructions

**A. Who must file.**—Except as otherwise provided, Form 1120F must be filed by every foreign corporation that (1) is engaged in a trade or business in the U.S. at any time during the taxable year,

(2) has income from U.S. sources that is effectively connected with the conduct of a trade or business within the U.S. (section 881), (3) has income that is effectively connected with the conduct of a trade or business within the U.S. (section 882), or (4) has items of tax preference (described in section 57) which enter into the computation of unrelated business income.

For example, a foreign corporation engaged in a trade or business in the U.S. at any time during the taxable year must file Form 1120F even though (a) it has no income effectively connected with the conduct of a trade or business in the U.S., (b) it has no income from sources within the U.S., or (c) its income is exempt from income tax by reason of an income tax convention or any section of the Code. However, if the foreign corporation has no gross income for the taxable year, it is not required to complete the return schedules but must attach a statement to the return showing the nature of any amounts excluded from gross income and the amounts of such exclusions to the extent they are readily determinable.

Under section 819A, a domestic mutual life insurance company may elect to exclude from the computation of its taxable income all income and expense of its contiguous country (Canada and Mexico) branches. If this election is made, the contiguous country branch is treated as a foreign corporation for the purposes of the income tax return. Form 1120F and 1442 on U.S.-related income. Form 1120F must be used to report these types of income.

If a receiver, trustee in dissolution, trustee in bankruptcy, or assignee has possession of or holds title to all, or substantially all, the property or business of a corporation, whether or not the property or business is being operated, that person must file a return for the corporation in the same manner and form required for the year to which the

return is for the year to which the







1120F, see Schedule PH (Form 1120F). Specific instructions for line 1 regarding section 465 losses.

**29(a). Net operating loss deduction.**—The sum of the net operating loss carryovers and carrybacks to the taxable year. (Section 172(g).)

Generally, a net operating loss may be carried back to each of the 3 years preceding the year of such loss and carried over to each of the 7 years following the year of such loss, or an election may be made whereby a net operating loss may be carried over to each of the 7 years following the year of such loss (the election is made by attaching a statement to a timely filed return, including extensions, and applying it to the first taxable year to which it may be carried). The portion of the loss to be carried to each of the remaining taxable years is the excess, if any, of the amount of the loss over the sum of the taxable income for each of the prior taxable years to which the loss may be carried. (Section 172(b).)

If there is a carryback of a net operating loss, a net capital loss, an unused investment credit, an unused work incentive (WIN) credit, or unused jobs credit, file Form 1139 within 12 months after the close of the taxable year for a "quick refund" of tax. (Section 6411.)

**29(b). Special deductions.**—See instructions for Schedule I.

## Schedule A—Cost of Goods Sold

**Valuation methods.**—Your inventories can be valued at: (a) cost, (b) cost or market value (whichever is lower), or (c) any other method approved by the Commissioner. See Regulations. There are three methods conforming with the provisions of the applicable regulations cited below.

Taxpayers using erroneous valuation methods should request permission to change to a method permitted for Federal income tax purposes. For further information regarding the change, see Regulation section 1.446-1(e)(3).

Check the method(s) used for valuing inventories in line 8(c). Under "lower of cost or market," market generally applies to normal market conditions where there is a current bid price prevailing at the date the inventory is valued. When no regular open market exists or when quotations are nominal because of inactive market conditions, use fair market prices from the most reliable sales or purchase transactions that occurred near the date the inventory is valued. For additional requirements, see Regulation section 1.471-4.

Inventories may be valued below cost when the change is unavoidable at normal prices or unusable in the normal way because the goods are "subnormal" (that is because of damage, imperfection, etc.).

If an item is indirectly attributable both to taxable income and exempt income, a reasonable proportion of the item, determined in the light of all the facts and circumstances in each case, shall be allocated to each.

Attach a statement showing (1) the amount of each class of exempt income and (2) the amount of expense items allocated to each class. Show separately the amount allocated by apportionment.

**28. Taxable income.**—Effective for taxable years beginning after December 31, 1978, special "at risk" rules under section 465 generally apply to closely held corporations engaged in any activity as a trade or business or for the production of income. Such corporations may have to adjust the amount on line 28. See below.

However, the "at risk" rules do not apply to (1) holding real property other than mineral property and (2) the rental of real property. See section 465(c)(3)(D)(ii). These "at risk" rules apply to a closely held corporation which may or may not be a personal holding company.

**A closely held corporation that is NOT a personal holding company.**—The amount to be entered on line 28 of Form 1120F is to be adjusted for section 465 (G) losses. Section 465(G) losses are limited to the amount of the corporation's net income to which the closely held corporation is "at risk" for each separate activity at the close of the tax year.

Where the corporation is involved in more than one activity, and one or more of the activities incurs a loss for the year, the loss must be reported separately. The corporation must attach a schedule reflecting the amount "at risk" and gross income and deductions for the activity(ies) with the loss(es).

If a loss from an activity exceeds the amount the closely held corporation is "at risk" for the activity at the end of the tax year, the amount that would otherwise be entered on line 28 of Form 1120F is to be modified for the excess. (Attach schedule.)

If the corporation sells or otherwise disposes of an asset in, or its interest in (either total or partial), an activity to which the "at risk" rules apply, combine the gain or loss on the sale or disposition with the profit or loss from the activity to determine the net profit or loss from the activity. If the corporation has a net loss, it may be limited because of the "at risk" rule. Any loss from an activity not allowed for the tax year is treated as a deduction allowable to the activity in the next tax year.

See section 204(c)(2) and (3) of the Tax Reform Act of 1976 concerning special transitional rules relating to movies, video tapes, and leasing activities.

A closely held corporation that is a personal holding company—For the amount to be entered on line 28 of Form

1120F, see instructions for line 28 of Form 1120F. See instructions for line 28 of Form 1120F. See instructions for line 28 of Form 1120F.

**21. Depreciation.**—See instructions for Form 4562. Depreciation. See instructions for Form 4562. Depreciation. See instructions for Form 4562.

**22. Depletion.**—See sections 613 and 613A for percentage depletion rates applicable to natural deposits. See instructions for depletion of timber.

**24. Pension, profit-sharing, etc.**—Corporations on the accrual basis may elect to deduct contributions paid on or before the 15th day of the 3d month following the close of the taxable year if the contributions are authorized by the board of directors during the taxable year. A declaration, signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the taxable year, and a copy of the resolution, must both be attached to the return.

Attach a schedule showing the name of each organization and the amount paid if a contribution is made in property other than money, describe the kind of property contributed and the method used in determining its fair market value. If the amount and how the corporation was determined.

**Special rule for contributions of certain property.**—In the case of a charitable contribution of property, the contribution must be reduced by the sum of:

- (1) the ordinary income, short-term capital gain, and long-term capital gain of the long-term capital gain,
- (2) for certain contributions, 60.87% of the long-term capital gain,

that would have resulted if the property were sold at its fair market value. (Section 170(e).) For special rules regarding the contribution of inventory, and other organizations, income property, and organizations, see section 170(e)(3).

**Bargain sale to a charitable organization.**—If a charitable contribution deduction for property sold to a charitable organization is taken, the adjusted basis for the property is the fair market value less the amount which is the sum of the adjusted basis as the amount realized is to the fair market value of the property. 20. Amortization.—If a deduction for amortization is claimed, attach a schedule.

Page 6

**19. Contributions.**—Enter contributions or gifts actually paid within the taxable year to, or for the use of, charitable and governmental organizations described in section 170(c) and any unused contributions carried over from prior years.

The total amount claimed may not exceed 5% of taxable income (line 30) computed without regard to (1) any deduction for contributions, (2) the special deductions in line 29(b), (3) deductions allowed under sections 249 and 250, (4) any net operating loss carryback to the taxable year under section 172, and (5) any capital loss carryback to the taxable year under section 1212(b)(1).

Charitable contributions in excess of the 5% limitation may not be deducted for the taxable year but may be carried over to the next 5 taxable years.

A contribution carryover is not allowed, however, to the extent that it increases a net operating loss carryover. See section 170(d)(2)(B).

Corporations on the accrual basis may elect to deduct contributions paid on or before the 15th day of the 3d month following the close of the taxable year if the contributions are authorized by the board of directors during the taxable year. A declaration, signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the taxable year, and a copy of the resolution, must both be attached to the return.

Attach a schedule showing the name of each organization and the amount paid if a contribution is made in property other than money, describe the kind of property contributed and the method used in determining its fair market value. If the amount and how the corporation was determined.

**Special rule for contributions of certain property.**—In the case of a charitable contribution of property, the contribution must be reduced by the sum of:

- (1) the ordinary income, short-term capital gain, and long-term capital gain of the long-term capital gain,
- (2) for certain contributions, 60.87% of the long-term capital gain,

that would have resulted if the property were sold at its fair market value. (Section 170(e).) For special rules regarding the contribution of inventory, and other organizations, income property, and organizations, see section 170(e)(3).

**Bargain sale to a charitable organization.**—If a charitable contribution deduction for property sold to a charitable organization is taken, the adjusted basis for the property is the fair market value less the amount which is the sum of the adjusted basis as the amount realized is to the fair market value of the property. 20. Amortization.—If a deduction for amortization is claimed, attach a schedule.

Page 5

**13. Salaries and wages.**—Enter on line 13(a) the amount of total salaries and wages (other than salaries and wages deducted elsewhere on your return, such as contributions to a Simplified Employee Pension Plan which is deducted on line 24) paid or incurred for the taxable year. Enter on line 13(b) the sum of (1) the amount of WIN credit from Form 4878, line 11, and (2) the amount of jobs credit from Form 5884, line 9.

**14. Repairs.**—Enter the cost of incidental repairs, such as labor and supplies, that do not add to the value or appreciably prolong the life of the total property. Include on this line the total amount of repairs figured under the Obsolete Asset Depreciation Range (OADR) System.

**15. Bad debts.**—Bad debts may be treated in either of two ways: (1) as a deduction for debts that become worthless within the taxable year, or (2) as a deduction for a reasonable amount of reserve for bad debts. (Section 166.) Application to change the method of computing bad debts must be made on Form 3115.

**17. Taxes.**—Enter taxes paid or accrued during the taxable year. Do not include Federal income tax; foreign or U.S. possession income tax; a foreign tax credit is claimed; or taxes not imposed upon the corporation.

See section 164(d) for apportionment of tax on real property between seller and purchaser.

Section 906(b)(1) provides that certain foreign taxes imposed on income from U.S. sources may not be taken as a deduction.

**18. Interest.**—Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. (Section 265.) See section 267 for limitation on deductions for unpaid expenses and interest on transactions between related taxpayers.

Generally, a cash basis taxpayer cannot deduct prepaid interest allocable to years subsequent to the current taxable year. A cash basis taxpayer, who in 1979 prepaid interest allocable to any period after 1979, can only deduct the amount allocable to 1979. Please see Publication 545, Income Tax Deduction for Interest Expense.

**19. Compensation of officers.**—Complete columns 1 through 6, Schedule E, for all officers. Complete column 7, Schedule E, for your six highest paid

**(7) Include dividends (other than capital gain dividends and exempt interest dividends) received from regulated investment companies that do not qualify for the 85% deduction; dividends from tax-exempt organizations; dividends from capital gain investment trusts received from a real estate investment trust that, for the taxable year of the trust in which the dividends are paid, qualifies under sections 855-860; dividends not eligible for a dividends-received deduction because of the holding period of the stock or an obligation to make corresponding payments with respect to similar stock; and any other taxable dividend income not properly reported above.**

**6. Notes, interest.**—Enter interest on loans, mortgages, bonds, bank deposits, corporate bonds, tax refunds, etc. Do not offset interest income against interest expense.

**7. Gross rents.**—Enter the gross amount received for the rental of property. Deduct expenses such as repairs, interest, taxes, and depreciation on the property for deductions.

**9(a). Capital gain or loss.**—Every sale or exchange of a capital asset must be reported in full on Schedule D (Form 1120) even though no gain or loss is indicated.

If the net long-term capital gain exceeds the net short-term capital loss or loss in case of only a net long-term capital gain, compute the alternative tax on separate Schedule D (Form 1120) to see if it produces a lesser tax.

**9(b). Gain or (loss).**—Enter the net ordinary gain or loss from line 11, Part II, Form 4797.

**10. Other income.**—Enter any other taxable income not listed above and explain its nature on an attached schedule. Examples of other income would be recoveries of bad debts deducted in prior years under the specific charge-off method and refunds of taxes deducted in prior years. Do not offset current year's taxes with tax refunds.

If "other income" consists of only one item, identify it by showing the account caption in parentheses on line 10.

**Deductions.** In computing the taxable income of a foreign corporation engaged in a trade or business within the U.S., deductions are allowed only to the extent that they are connected with the income that is effectively connected with the conduct of a trade or business within the U.S. Charitable contributions, however, may be deducted whether or not they are so connected. See section 882(c)(1) for allocation of deductions.

**12. Compensation of officers.**—Complete columns 1 through 6, Schedule E, for all officers. Complete column 7, Schedule E, for your six highest paid



ings, shop wear, etc.) within the meaning of Regulation section 1.471-2(c). Such goods may be valued at a current bona fide selling price less direct cost of disposition (but not less than scrap value) where the taxpayer can establish such a price. See Regulation section 1.471-2(c). For additional requirements, in line 8(b), indicate whether you used a method of inventory valuation other than those described in line 8(a), and attach a statement describing the method used.

If this is the first year the "Last-in-First-out" (LIFO) inventory method provided in Section 472 was adopted and used, attach Form 970 or a statement with the information required by Form 970 to Form 1120F and check the LIFO box in line 8(c). Enter the amount or percentage (estimates may be used) of total closing inventories covered under Section 472 in line 8(c).

**Full absorption method of inventory costing.**—Taxpayers engaged in manufacturing or production operations must use the full absorption method of inventory costing. If they are not using the full absorption method of inventory costing, they must change to this method under which direct and indirect production costs are included for direct and indirect production costs. The change to full absorption may be made by Rev. Proc. 3115. For further details, see Reg. Proc. 75-40, 1975-2 C.B. 571, and section 1.471-11 of the regulations.

**Cost of operations (where inventories are not an income-determining factor).**—If the amount enterable on line 2 includes an amount applicable to cost of operations, attach a schedule showing (1) salaries and wages and (2) other costs in detail.

For certain cooperatives, if per unit retention allocations are included on line 4, Schedule A, identify this cost and the total amount in the Schedule "Other costs" to be attached to Form 1120F.

## Schedule I—Special Deductions

(Numbered to correspond with line numbers in Schedule I)

**1. Exclusion of certain dividends.**—In general, no dividends-received deduction will be allowed on any share of stock (a) that is disposed of before the corporation has held it 15 days or less, or (b) to the extent the corporation is under an obligation to make corresponding payments with respect to substantially identical stock or other securities. Dividends received on stock allowed under section 243 for a dividend from a DISC or former DISC (as defined in section 992(a)) to the extent the dividend is paid out of the corporation's accumulated DISC income, previously taxed income, or is a deemed distribution under section 995(b)(1).

**2. Limitation on dividends-received deduction.**—Line 2 may not exceed 85% of line 28, page 3. For this purpose, line 28, page 3, is to be computed without regard to any capital loss carryback to (1) taxable year under section 1212(a)(1). In a year in which a net operating loss occurs, sections 172(d) and 246(b) provide that this 85% limitation does not apply even if the loss is created by the dividends-received deduction.

**3. Deduction for dividends paid on certain preferred stock of public utilities.**—Section 247 allows public utilities a deduction of 30.435% of the lesser of (1) dividends paid on their preferred stock during the taxable year, or (2) taxable income computed without regard to this deduction. In a year in which a net operating loss occurs, section 172(d) provides that the deduction shall be computed without regard to section 247(a)(3)(B).

## Schedule J—Tax Computation

**1. Taxable income brackets and tax rates.** The Revenue Act of 1978 established tax rates on income brackets and tax rates on income brackets for taxable years beginning after December 31, 1978. Each taxable income bracket is \$25,000 for income up to \$100,000. The rates of tax are as follows:

17% on the first \$25,000,
20% on the next \$25,000,
30% on the next \$25,000,
40% on the next \$25,000.

Income in excess of \$100,000 is taxed at a rate of 46%.

**Members of a controlled group.**—Members of a controlled group, as defined in section 1563, are entitled to only one \$25,000 amount in each taxable income bracket.

**Equal apportionment plan.**—If no apportionment plan is adopted, the members of the controlled group must divide the \$25,000 amount in each taxable income bracket equally. For example, controlled group AB consists of corporation A and corporation B. They do not elect an equal apportionment plan; then corporation A is entitled to \$12,500 in each taxable income bracket and corporation B is entitled to \$12,500 in each taxable income bracket.

**Unequal apportionment plan.**—Members of a controlled group may elect an unequal apportionment plan and divide the \$25,000 amount in each taxable income bracket in any manner that they see fit. There is no need for consistency between taxable income brackets and any member of the controlled group may be entitled to all, some, or none of the \$25,000 amount. For example, if the \$25,000 amount is the total income for all members of the controlled group, it does not exceed \$25,000 in any bracket.

**2. Foreign tax credit.**—A foreign corporation engaged in a trade or business within the U.S. is allowed a credit under section 901 for income taxes, profits, and excess profits tax paid (or deemed paid under section 902) or accrued during the taxable year to any foreign country or U.S. possession with respect to income effectively connected with the conduct of a trade or business within the U.S. In general, the per country limitation cannot be used in computing the foreign tax credit. For further details, see section 906 and Form 1118.

**3. Investment credit.**—In most cases, the qualified investment credit is 10% of the qualified investment in regular investment property. The corporation may elect an 11% or 11.5% for regular investment credit property (in lieu of the 10%) if the corporation meets the requirements of sections 48(n)(1) and 409A. The corporation is also allowed a 10% energy investment credit for investment in qualified energy property. The 10% energy credit is in addition to the 10% regular investment credit if the energy property is also regular investment property. Use Form 3468 and Schedule B (Form 3468) to figure these credits. (See Form 4255.)

**4. Tax from refunding a prior year investment credit.**—If property is disposed of prior to the life of the property used in computing the investment credit, you must recompute the investment credit. (See Form 4255.)

**5. Credit for wages paid or incurred in U.S. credit.**—Generally, employers may claim a credit of 50% of qualified first-year wages and 25% of qualified second-year wages. See Form 4874 for definitions, special rules, and limitations. Also see Publication 906, Targeted Jobs and WIN Credits.

Do not take an expense deduction for that portion of the wages or salaries paid or incurred which is equal to the amount of the WIN credit (determined without regard to the limitation based on tax (section 50A(a)(2)). Members of a group of trades or businesses under common control, see section 280C.

**6. Tax from refunding a prior year WIN credit.**—If a WIN employee is dismissed before completing a certain period of employment, the corporation may elect to compute the WIN credit taken on WIN January 1, 1979. (See Form 4874.)

**7. Job credit.**—The credit allowed is allowed only for hiring members of seven targeted groups during the tax year. Generally, the allowable credit is equal to 50% of qualified first-year wages paid or incurred and 25% of qualified second-year wages paid or incurred. See Form 5884 for definitions, special rules, and limitations. Also see Publications 906, Targeted Jobs and WIN Credits.

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Form 1120L (1979)

**Schedule A INVESTMENT YIELD (See instructions)**

1. Interest:	2. Amortization of discount	3. Amortization of premium	4. Total (for line 1: column 1 plus column 2 and column 3)
(a) Wholly exempt obligations (attach schedule)			
(b) U.S. obligations and U.S. instrumentalities			
(c) Loans, notes, mortgages, bank deposits, bonds, debentures, etc.			
(d) Totals			
2. Dividends (see instructions):			
(a) Domestic corporations subject to 85% deduction			
(b) Certain preferred stock of public utilities			
(c) Foreign corporations subject to 85% deduction			
(d) Qualifying dividends received from affiliated groups and subject to the 100% deduction (section 243(a)(3))			
(e) Other (attach schedule)			
3. Gross rents (attach schedule)			
4. Gross royalties (attach schedule)			
5. Leases, terminations, etc.			
6. Net short-term capital gain reduced by any net long-term capital loss (Schedule D (Form 1120L), line 10)			
7. Gross income from trade or business other than insurance business (attach schedule). (Also include amount from Schedule D (Form 1120L), line 36(b))			
8. GROSS INVESTMENT INCOME (add lines 1(d) through 7)			
9. Investment expenses (attach schedule) (see Schedule H)			
10. Real estate expenses (attach schedule)			
11. Depreciation (attach schedule)			
12. Depletion (attach schedule)			
13. Trade or business deductions as provided in section 804(c)(5) (attach schedule)			
14. Total deductions (add lines 9 through 13)			
15. INVESTMENT YIELD (subtract line 14 from line 8)			

**Schedule B PART I—POLICY AND OTHER CONTRACT LIABILITY REQUIREMENTS (Section 805(a))**

1. Adjusted life insurance reserves (from Part VI)	2. End of taxable year	3. Mean of column 1 and column 2
2. Multiplied by the adjusted reserves rate (lessor of lines 1 or 7, Part III)		
3. Pension plan reserves (Part V, line 7, column 7)		
4. Multiplied by the current earnings rate (Part III, line 1)		
5. Interest paid (from Part VII)		
6. Policy and other contract liability requirements (add lines 2, 4 and 5)		

**PART II—ASSETS (Section 805(b)(4))**

1. Real estate	
2. Mortgages: (e) Without service fees	
(b) With service fees	
3. Collateral loans	
4. Policy loans, including premium notes	
5. Corporate bonds	
6. Stocks	
7. Government obligations, etc. (attach schedule)	
8. Bank deposits, cash, etc.	
9. Other assets (attach schedule)	
10. Totals	

\*Adjusted under section 805(a) (see instructions—attach schedule)

**PART III—EARNINGS RATES (Section 805(b))**

1. Current earnings rate (Schedule A, line 15 divided by Part II, line 10, column 3)	
2. Earnings rate for first preceding year (attach schedule)	
3. Earnings rate for second preceding year (attach schedule)	
4. Earnings rate for third preceding year (attach schedule)	
5. Earnings rate for fourth preceding year (attach schedule)	
6. Total (add lines 1 through 5)	
7. Average earnings rate (see instructions)	

**1120L** **U.S. Life Insurance Company**  
**Income Tax Return**

FOR CALENDAR YEAR

1979

Name	A. Employer identification number
Number and street	B. Date and place incorporated
City or town, State, and ZIP code	

1. (a) Taxable investment income (Schedule C)	1(c)
(b) Gain from operations (Schedule E) (if a loss, enter zero)	1(d)
(c) The smaller of (a) or (b)	2
2. 50% of any excess of 1(b) over 1(a)	3
3. Amount subtracted from policyholders' surplus account (Schedule G, line 5)	4
4. Life insurance company taxable income (add lines 1(c), 2, and 3)	5
5. Enter line 4 or \$25,000, whichever is less (members of a controlled group, see instructions)	6
6. Subtract line 5 from line 4	7
7. Enter line 6 or \$25,000, whichever is less (members of a controlled group, see instructions)	8
8. Subtract line 7 from line 6	9
9. Enter line 8 or \$25,000, whichever is less (members of a controlled group, see instructions)	10
10. Subtract line 9 from line 8	11
11. Enter line 10 or \$25,000, whichever is less (members of a controlled group, see instructions)	12
12. Subtract line 11 from line 10	13
13. 17% of line 5	14
14. 20% of line 7	15
15. 30% of line 9	16
16. 40% of line 11	17
17. 46% of line 12	18
18. Add lines 13 through 17	19
19. Income tax—the lesser of line 18 (above) or line 32 of Schedule D (Form 1120L)	20(a)
20. Less: (a) Foreign tax credit (attach Form 1118)	20(b)
(b) Investment credit (attach Form 3468)	20(c)
(c) Work incentive (WIN) credit (attach Form 4874)	20(d)
(d) Jobs credit (attach Form 5884)	21
21. Add lines 20(a), (b), (c), and (d)	22
22. Balance of tax (subtract line 21 from line 19)	23
23. Foreign corporations—tax on income not connected with U.S. business (see Tax Computation Instructions)	24
24. Tax from recomputing a prior year investment credit (attach Form 4255)	25
25. Tax from recomputing a prior year WIN credit (see instructions—attach computation)	26
26. Minimum tax on tax preference items (see instructions—attach Form 4626)	27
27. Total tax (add lines 22 through 26)	28(a)
28. Credits: (a) Overpayment from 1978 allowed as a credit	28(b)
(b) 1979 estimated tax payments	28(c)
(c) Less (refund of 1979 estimated tax applied for on Form 4466)	28(d)
(d) Tax deposited with Form 7004	28(e)
(e) Tax deposited with Form 7005 (attach copy)	28(f)
(f) Credit from regulated investment companies (attach Form 2439)	28(g)
(g) U.S. tax on special fuels, nonhighway gas and lubricating oil (attach Form 4136)	28(h)
(h) U.S. income tax paid or withheld at source	28(i)
(i) U.S. income tax paid or withheld at source	28(j)
29. TAX DUE (subtract line 28 from line 27). See instruction F for depositary method of payment	29
30. OVERPAYMENT (subtract line 27 from line 28)	30
31. Enter amount of line 30 you want. Credited to 1980 estimated tax	31

Under penalties of perjury, I declare that I have prepared this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

Signature of officer	Date
Preparer's name, title, and date	Preparer's social security no.
Firm's name (or name of individual, if self-employed)	E.I. No.
Address	ZIP code







Form 1120L (1979)

## Additional Information Required

Page 7

C Check if a—		Yes	No
<input type="checkbox"/> Legal reserve company—If so, check			
Type of company—			
<input type="checkbox"/> Stock			
<input type="checkbox"/> Mutual			
Principal business—			
<input type="checkbox"/> Life insurance			
<input type="checkbox"/> Health and accident insurance			
<input type="checkbox"/> Fraternal or assessment association			
<input type="checkbox"/> Burial or other insurance company			
<b>D</b> Were you a member of a controlled group subject to the provisions of section 1561? . . . . .			
If answer was "Yes," check type of relationship:			
(1) <input type="checkbox"/> Parent-subsidiary			
(2) <input type="checkbox"/> Brother-sister			
(3) <input type="checkbox"/> Combination of (1) and (2)			
(See section 1563)			
<b>E</b> Enter the percentage that the total of your life insurance reserves (sec. 801(b)) plus unearned premiums and unpaid losses (whether or not ascertained) on noncancellable life, health or accident policies not included in life insurance reserves is to your total reserves (sec. 801(c)). Attach schedule. . . . . %			
<b>F</b> Do you have any variable annuity contracts outstanding? . . . . .			
<b>G</b> Do you have any segregated asset accounts? . . . . .			
If "Yes," see instruction P			
<b>H</b> Amount of total insurance liabilities (see Schedule K) . . . . .			
<b>I</b> (1) Did you at the end of the taxable year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation (for rules of attribution, see section 267(c))? . . . . .			
If "Yes," attach a schedule showing:			
(a) Name, address, and identifying number;			
(b) Percentage owned; and			
(c) Taxable income or (loss) from line 28, page 267(c)? . . . . .			
1. Form 1120 of such corporation for the taxable year ending with or within your taxable year.			
<b>(2)</b> Did any individual, partnership, corporation, estate, or trust at the end of the taxable year own, directly or indirectly, 50% or more of your voting stock (for rules of attribution, see section 267(c))? . . . . .			
If "Yes,"			
(a) Attach a schedule showing name, address, and identifying number.			
(b) Enter percentage owned . . . . . %			
<b>J</b> Was the owner of such voting stock a person other than a U.S. person? . . . . .			
If "Yes," enter owner's country (see instruction R) . . . . .			
<b>K</b> Did you previously file a copy of the annual statement for the preceding years as required by General Instruction K? . . . . .			
If "Yes," name the Internal Revenue Service Center in which filed . . . . .			
<b>L</b> Does a copy of the 1979 annual statement accompany this return? If "No," see instructions and attach an explanation why the statement is not attached . . . . .			
<b>M</b> Did you claim a deduction for expenses connected with:			
(a) Entertainment facility (boat, resort, ranch, etc.)? . . . . .			
(b) Living accommodation (except for employees on business)? . . . . .			
(c) Employees attending conventions or meetings outside the U.S. or its possessions? . . . . .			
(d) Employees' families at conventions or meetings? . . . . .			
If "Yes," were any of these conventions or meetings outside the U.S. or its possessions? . . . . .			
(e) Employee or family vacations not reported on Form W-2? . . . . .			
<b>N</b> Enter total amount claimed on Form 1120L for travel, and conventions of the type for which substantiation is required under section 274(d). (See instruction W.) . . . . .			
<b>O</b> Did you file all required Forms 1087, 1096, and 1099? . . . . .			
<b>P</b> Were you a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957). . . . .			
If "Yes," attach Form 3646 for each such corporation. . . . .			
<b>Q</b> Enter the number of defined benefit and defined contribution plans you have for your employees (see instruction I) . . . . .			
<b>R</b> At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see instruction T)? . . . . .			
<b>S</b> Were you the grantor of or transferor to a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? . . . . .			
If "Yes," you may be required to file Forms 3520, 3520A, or 926. . . . .			
<b>T</b> During the tax year was any part of your tax accounting records maintained on a computerized system? . . . . .			

Form 1120L (1979)

Page 8

## Schedule K ASSETS (Section 805(b)(4)) AND TOTAL INSURANCE LIABILITIES (Section 819(a)) (See instructions)

Assets—section 805(b)(4) (Schedule B, Part II, line 10, column 2)		General account		Separate account	
Line	1. Section	2. NAIC page 3	3. Description of item	4. General account	5. Separate account
1	801(c)(1)	Line 1	Liabilities:		
2	801(c)(2)	Line 2	Reserve for life policies and contracts		
3	810(c)(3)	Line 3	Subtract: Deficiency reserves . . . . .		
4	810(c)(3)	Line 4.1	Reserve for accident and health policies		
5	810(c)(3)	Line 4.2	Subtract: Reserves for rate credits . . . . .		
6	810(c)(4)	Line 5	Supplementary contracts without life contingencies . . . . .		
7	810(c)(5)	Line 9	Policy and contract claims, life		
8	810(c)(5)	Line 10	Subtract: Reserve life claims . . . . .		
9	810(c)(6)	Line 10	Policy and contract claims, accident and health . . . . .		
10	810(c)(6)	Line 10	Policyholders' dividend and coupon accumulations . . . . .		
11	810(c)(6)	Line 10	Premiums and annuity considerations received in advance		
12	810(c)(6)	Line 10	Subtract: Discount . . . . .		
13	810(c)(6)	Line 10	Liability for premium deposits and other funds . . . . .		
14	810(c)(6)	Line 10	Other:		
			Miscellaneous insurance liabilities, not included above, such as:		
			(a) Special contingency reserves group life, health and accident insurance		
			(b) Amounts held at interest under insurance, annuity or deposit administration contracts or pension trust side funds . . . . .		
			(c) Funds held to provide for future conversion of policies or contracts . . . . .		
			(d) Amounts held pending issue of contracts supplementary to insurance or annuity contracts . . . . .		
			(e) Other insurance liabilities or adjustments:		
			(i) Reserves for mortality fluctuations . . . . .		
			(ii) Liability for insurance or annuity benefits for employees and agents . . . . .		
			(f) Other items (please describe):		
15			Totals . . . . .		
16			Total general account insurance liabilities. Enter total from line 15, column 4, here and in question H. See instructions . . . . .		

\*1979 Annual Statement Form approved by the National Association of Insurance Commissioners. References in column 2 apply to the general account only.

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1120M		U.S. Mutual Insurance Company Income Tax Return		CALENDAR YEAR 1979
Form 1120M Department of the Treasury Internal Revenue Service		Name  Number and street  City or town, State, and ZIP code		A Employer identification number
Please print		B Date incorporated		
Please type or print		C Place incorporated		
<b>Taxable Income</b>				
1 Taxable investment income or (loss) (Schedule A)		1		
2 Statutory underwriting income or (loss) (Schedule B)		2		
3 Amounts subtracted from the Protection Against Loss Account (Schedule C, line 9(d))		3		
4 Total (add lines 1, 2 and 3)		4		
5 Unused loss deduction (attach schedule)		5		
6 Mutual insurance company taxable income (subtract line 5 from line 4)		6		
7 Enter line 6 or \$25,000, whichever is less (members of a controlled group, see instructions)		7		
8 Subtract line 7 from line 6		8		
9 Enter line 8 or \$25,000, whichever is less (members of a controlled group, see instructions)		9		
10 Subtract line 9 from line 8		10		
11 Enter line 10 or \$25,000, whichever is less (members of a controlled group, see instructions)		11		
12 Subtract line 11 from line 10		12		
13 Enter line 12 or \$25,000, whichever is less (members of a controlled group, see instructions)		13		
14 Subtract line 13 from line 12		14		
15 17% of line 9		15		
16 20% of line 9		16		
17 30% of line 11		17		
18 40% of line 13		18		
19 46% of line 14		19		
20 Total of lines 15 through 19		20		
21 Special computation. If line 6 is less than \$12,000, see instructions		21		
22 Enter amount to be included by reciprocal (see instructions)		22		
23 Total—applicable amount from line 20 or line 21, plus line 22		23		
24 Alternative tax for certain small companies (Schedule A-2, line 6)		24		
25 Income tax—line 23 or 24 above, or line 18 of separate Schedule D (form 1120), whichever applies		25		
26 Tax credits—(a) Foreign tax credit (attach Form 1118)		26a		
(b) Investment credit (attach Form 3468)		26b		
(c) Work incentive (WIN) credit (attach Form 4874)		26c		
(d) Jobs credit (attach Form 5884)		26d		
27 Subtract line 26 from line 25		27		
28 Foreign Corporations—tax on income not connected with U.S. business (see instructions)		28		
29 Tax from recomputing a prior year investment credit (attach Form 4255)		29		
30 Tax from recomputing a prior year WIN credit (see instructions—attach computation)		30		
31 Minimum tax on tax preference items (see instructions—attach Form 4626)		31		
32 Total tax (add lines 27 through 31)		32		
33 Credits: (a) Overpayment from 1978 allowed as a credit				
(b) 1979 estimated tax payments				
(c) Less refund of 1979 estimated tax applied for on Form 4466				
(d) Tax deposited: Form 704				
(e) Credit by reciprocal for tax paid by attorney-in-fact under section 826(a)				
(f) Instructional required investment companies (orders from 2459) and other tax credits				
34 TAX DUE (subtract line 33 from line 32). See instruction G for depositary method of payment		34		
35 OVERPAYMENT (subtract line 32 from line 33)		35		
36 Enter amount of line 35 you want: Credit to 1980 estimated tax		36		
37 Enter amount of line 36 you want: Credit to 1980 estimated tax		37		
38 Enter amount of line 37 you want: Credit to 1980 estimated tax		38		
39 Enter amount of line 38 you want: Credit to 1980 estimated tax		39		
40 Enter amount of line 39 you want: Credit to 1980 estimated tax		40		
41 Enter amount of line 40 you want: Credit to 1980 estimated tax		41		
42 Enter amount of line 41 you want: Credit to 1980 estimated tax		42		
43 Enter amount of line 42 you want: Credit to 1980 estimated tax		43		
44 Enter amount of line 43 you want: Credit to 1980 estimated tax		44		
45 Enter amount of line 44 you want: Credit to 1980 estimated tax		45		
46 Enter amount of line 45 you want: Credit to 1980 estimated tax		46		
47 Enter amount of line 46 you want: Credit to 1980 estimated tax		47		
48 Enter amount of line 47 you want: Credit to 1980 estimated tax		48		
49 Enter amount of line 48 you want: Credit to 1980 estimated tax		49		
50 Enter amount of line 49 you want: Credit to 1980 estimated tax		50		
51 Enter amount of line 50 you want: Credit to 1980 estimated tax		51		
52 Enter amount of line 51 you want: Credit to 1980 estimated tax		52		
53 Enter amount of line 52 you want: Credit to 1980 estimated tax		53		
54 Enter amount of line 53 you want: Credit to 1980 estimated tax		54		
55 Enter amount of line 54 you want: Credit to 1980 estimated tax		55		
56 Enter amount of line 55 you want: Credit to 1980 estimated tax		56		
57 Enter amount of line 56 you want: Credit to 1980 estimated tax		57		
58 Enter amount of line 57 you want: Credit to 1980 estimated tax		58		
59 Enter amount of line 58 you want: Credit to 1980 estimated tax		59		
60 Enter amount of line 59 you want: Credit to 1980 estimated tax		60		
61 Enter amount of line 60 you want: Credit to 1980 estimated tax		61		
62 Enter amount of line 61 you want: Credit to 1980 estimated tax		62		
63 Enter amount of line 62 you want: Credit to 1980 estimated tax		63		
64 Enter amount of line 63 you want: Credit to 1980 estimated tax		64		
65 Enter amount of line 64 you want: Credit to 1980 estimated tax		65		
66 Enter amount of line 65 you want: Credit to 1980 estimated tax		66		
67 Enter amount of line 66 you want: Credit to 1980 estimated tax		67		
68 Enter amount of line 67 you want: Credit to 1980 estimated tax		68		
69 Enter amount of line 68 you want: Credit to 1980 estimated tax		69		
70 Enter amount of line 69 you want: Credit to 1980 estimated tax		70		
71 Enter amount of line 70 you want: Credit to 1980 estimated tax		71		
72 Enter amount of line 71 you want: Credit to 1980 estimated tax		72		
73 Enter amount of line 72 you want: Credit to 1980 estimated tax		73		
74 Enter amount of line 73 you want: Credit to 1980 estimated tax		74		
75 Enter amount of line 74 you want: Credit to 1980 estimated tax		75		
76 Enter amount of line 75				

Form 1120-M (1978)

Page 2

**Schedule A-1** Taxable Investment Income or (Loss)—Section 822

1. Total  
(Column 1 and Column 2)

**1** Interest on:

(a) Wholly exempt obligations (attach schedule) . . . . .  
 (b) U.S. obligations . . . . .  
 (c) Loans, notes, mortgages, bank deposits, bonds, debentures, etc. . . . .  
 (d) Totals . . . . .

2. Amortization of  
premium

3. Interest received

4. Dividends (Schedule E, Part I) . . . . .  
 5. Gross rents (attach schedule) . . . . .  
 6. Gross royalties (attach schedule) . . . . .  
 7. Gross income from trade or business other than insurance business and from form 4797, (include sections 1245 and 1250 etc. gains with respect to investment assets only.) . . . . .  
 8. Leases, etc. . . . .

9. Total (add lines 1(a) through 6)

10. Gain from separate Schedule O (Form 1120)

11. Gross investment income (add lines 7 and 8) . . . . .  
 12. Interest wholly exempt from tax (line 1(a), column 3) . . . . .  
 13. Investment expenses (attach schedule) . . . . .  
 14. Taxes . . . . .  
 15. Real estate expenses . . . . .  
 16. Depreciation (attach Form 4562—see instructions) . . . . .  
 17. Unpletion (attach schedule) . . . . .  
 18. Trade or business deductions as provided in section 822(c)(1)(B) (attach schedule) . . . . .  
 19. Interest paid or accrued . . . . .  
 20. Other capital losses (Schedule A-3) . . . . .  
 21. Total deductions (add lines 10 through 18) . . . . .  
 22. Subtract line 19 from line 9 . . . . .  
 23. Dividends-received deduction (Schedule E, Part II, line 6—see instructions for 85% limitation) . . . . .  
 24. Taxable investment income or (loss) (Subtract line 21 from line 20) . . . . .

25. Total (add lines 9 and 22)

26. Total (add lines 9 and 22)

27. Total (add lines 9 and 22)

28. Total (add lines 9 and 22)

29. Total (add lines 9 and 22)

30. Total (add lines 9 and 22)

31. Total (add lines 9 and 22)

32. Total (add lines 9 and 22)

33. Total (add lines 9 and 22)

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59. Total (add lines 9 and 22)

60. Total (add lines 9 and 22)

61. Total (add lines 9 and 22)

62. Total (add lines 9 and 22)

63. Total (add lines 9 and 22)

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80. Total (add lines 9 and 22)

81. Total (add lines 9 and 22)

82. Total (add lines 9 and 22)

83. Total (add lines 9 and 22)

84. Total (add lines 9 and 22)

85. Total (add lines 9 and 22)

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**Schedule B-3 Other Capital Losses (See Instructions)** (Capital assets sold or exchanged to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders)

1 Dividends and similar distributions paid to policyholders	2. Date acquired	3. Gross sales price	4. Cost or other basis	5. Expense of sale	6. Depreciation (or amortization)	7. Loss (col. 2 plus col. 5, or col. 3 and 6)
2 Losses paid						
3 Expenses paid						
4 Total of lines 1, 2 and 3						
5 Interest received (Schedule A, line 1, col. 3, adjusted to cash method if on accrual method)						
6 Dividends received (Part I, Schedule E, adjusted to cash method if on accrual method)						
7 Lines 3 through 6 of Schedule A (adjusted to cash method if on accrual method)						
8 Net premiums received (adjusted to cash method if on accrual method)						
9 Subtract the sum of lines 5 through 8 from line 4 (but not less than zero)						

**Schedule B-4 Statutory Underwriting Income or (Loss)—Section 823**

1 Gross income (Schedule B-1, line 6)	
2 Subtract: Gross investment income (Schedule A, line 9)	
3 Deductions (Schedule B-1, line 26)	
4 Subtract: The sum of: (a) Schedule A, line 19; (b) Schedule A, line 21	
5 Subtract line 4 from line 2	
6 Special deduction (Schedule B-2) (not to exceed line 5)	
7 Subtract line 6 from line 5	
8 Protection against loss deduction (Schedule B-3)	
9 Statutory underwriting income or (loss) (subtract line 8 from line 7)	

**Schedule B-5 Income and Deductions**

1 Investment income—Section 832(b)(2): (a) Interest (b) Dividends (Schedule E, Part I)	2 Salaries and wages—Section 832(c)(1)	3 Rents—Section 832(c)(1)	4 Depreciation—Section 832(c)(7)	5 Interest (excluded under section 103)—Section 832(c)(7)	6 Rents—Section 832(c)(1)	7 Interest—Section 832(c)(2)	8 Rents—Section 832(c)(1)	9 Interest—Section 832(c)(2)	10 Taxes—Section 832(c)(3)	11 Losses incurred on insurance contracts—Section 832(c)(4)	12 Capital losses—Section 832(c)(5) (separate Schedule D (Form 1120))	13 Other capital losses—Section 832(c)(5) (Schedule A-3)	14 Worthless agency balances and bills receivable—Section 832(c)(6)	15 Interest (excluded under section 103)—Section 832(c)(7)	16 Depreciation—Section 832(c)(8) (attach Form 4562)	17 Depletion—Section 832(c)(9) (attach schedule)	18 Contributions—Section 832(c)(9) (attach schedule)	19 Dividends paid or declared to policyholders—Section 832(c)(11)	20 Increase in subscriber accounts—Section 832(b)(2)(A)	21 (a) Pension, profit-sharing, etc. plans—Section 832(c)(10) (see instructions) (enter number of plans) (b) Employee benefit programs—Section 832(c)(10) (see instructions)	22 Other deductions—Section 832(c)(10) (attach schedule)	23 Total deductions (add lines 7 through 22)	24 Subtract line 23 from line 6	25 Dividends—received deduction—Section 832(c)(12) (Schedule E, Part II, line 6—see instructions for 85% limitation)	26 Total deductions (add lines 23 and 25)
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**Schedule B-2 Special Deduction—Section 823(c)**

1 Amount from Schedule A, line 7	
2 Premiums (see instructions)	
3 Total (add lines 1 and 2)	
4 If line 3 is not more than \$500,000, enter \$500,000. If line 3 is less than \$1,100,000, but in excess of \$500,000, enter 1% of the difference between \$1,100,000 and the amount on line 3	

**Schedule B-3 Protection Against Loss Deduction—Section 824(a)**

1 Losses incurred on insurance contracts (Schedule B-1, line 11)	
2 1% of line 1	
3 25% of underwriting gain on Schedule B, line 7	
4 Concentrated risks: (a) Amount of Schedule B-1, line 2; (b) Amount of line 4(a) attributable to insuring against losses arising, either in any one State or within any one country, from fire, explosion, windstorm, hail, flood, earthquake, or similar hazards	
(c) Divide (b) by (a)	
(d) Less	
(e) Premium percentage which exceeds 40% (Schedule B, line 7, multiplied by (e))	
(f) Schedule B, line 7, multiplied by (e)	
5 Total (add lines 2 through 4)	

**Schedule C Protection Against Loss Account**

1 Balance at beginning of year	(a) 1% of losses incurred	(b) 25% of underwriting gain	(c) Concentrated risks	(d) Total sum of cols. (a), (b), and (c)
2 Additions (Schedule B-3)				
3 Totals (add lines 1 and 2)				
SUBTRACTIONS:				
4 Section 824(a)(1)(A)				
5 Section 824(a)(1)(B)				
6 Section 824(a)(1)(C)				
7 Section 824(a)(1)(D)				
8 Section 824(a)(1)(E)				
9 Totals (add lines 4 through 8)				
10 Balances at end of year (line 3 less line 9)				

**Schedule E Dividends (See instructions)**

1 Certain domestic corporations	1 85% of Part I, line 1
2 Certain public utility corporations	2 59.13% of Part I, line 2
3 Certain foreign corporations	3 85% (see instr. for 100% of Part I, line 3)
4 Certain affiliated groups	4 Total (see instructions for 85% limitation)
5 Other corporations (attach schedule)	5 100% of Part I, line 4
6 Total (add lines 1 through 5)	6 Total (line 4 plus line 5)

**Schedule F Compensation of Officers (See instructions. Attach schedule)**

<b>Additional Information Required</b>		Yes	No	Yes	No
D Did you previously submit a copy of the National Association of Insurance Commissioners' annual statement for the preceding year as required by General Instruction F?					
E Does a copy of the 1979 National Association of Insurance Commissioners' annual statement accompany this return?					
F Did you at the end of the taxable year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation (for rules of attribution, see section 267(c)(1))?					
G Were you a U.S. shareholder of any controlled foreign corporation (see sections 951 and 957)? (If "Yes," attach Form(s) 3646.)					
H (1) Did you claim a deduction for expenses connected with entertainment (club, resort, ranch, etc.)?					
(2) Living accommodation (except employees on business)?					
I Did you file all required Forms 1097, 1098, and 1099?					
J At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country?					
K Were you the grantor of, or beneficiary to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "Yes," you may be required to file Forms 3520, 3520A, or 926.					
L During the tax year was any part of your tax accounting records maintained on a computerized system?					
M Are you required to prorate your surtax exemption under section 1561 because of an election under section 243(b)?					



# 1979 Department of the Treasury Internal Revenue Service Instructions for Form 1120M U.S. Mutual Insurance Company Income Tax Return

(References are to the Internal Revenue Code.)

## General Instructions

**Note.** Mutual insurance companies that fail to submit the annual statement with their income tax return may be subject to the delinquency penalty. Please see instruction L.

**A. Who must file Form 1120M.**—Every domestic mutual insurance company (except a life insurance company subject to a tax under section 802 and other than a fire, flood, or marine insurance company subject to tax under section 831) and every foreign corporation carrying on an insurance business in the U.S. (which includes a U.S. subsidiary of a foreign corporation) must file Form 1120M.

**Exceptions.**—(a) Certain mutual insurance companies exempt under section 501(c)(15). (See Form 990.)

(b) A mutual insurance company subject to tax under section 821, which disposes of its insurance business and reserves or its insurance ceases to be entitled to be taxed under section 821, but continues its corporate existence for the purpose of winding up and liquidating its affairs. (See Form 1120.)

**B. Information returns and forms that may be required.**—

1. Forms W-2 and W-3.—Employee's wage and tax statement, and Transmittal of income and tax statements.

2. Form W-2P.—Statement for recipients of annuities, pensions or retired pay and periodic payments from retirement plans.

3. Forms 1087-DIV, INT, MED, MIS, and DID.—Nominees' information returns for reporting dividends, interests, medical and health care payments, miscellaneous income, and original issue discount that were received as a nominee on behalf of another person.

4. Form 1096.—Annual summary and transmittal of U.S. information returns.

5. Form 5452.—Corporate report of non-taxable dividends.

6. Forms 966 and 1099L.—Information returns regarding dissolution or liquidation, and distributions in liquidation.

## 7. Forms 1087-DIV, INT, MED, MIS, DID, PATR, and P.

Information returns for reporting dividends, interest, medical and health care payments, miscellaneous income, original issue discount, patronage dividends, and total distributions from profit-sharing and retirement plans.

8. Form 5713.—International boycott reporting. Persons having operations in addition to persons who participate in or cooperate with an international boycott may have to complete Schedule C of Form 5713 to compute their loss of the following items: the foreign tax credit, the deferral of earnings of controlled foreign corporations, and DISC benefits.

**C. Period covered.**—This return is for calendar year 1979 (Section 843). If the corporation ceases to exist, write "FINAL RETURN" at the top of the form.

**D. Accounting methods.**—Taxable income must be computed using the method of accounting regularly used in keeping the corporation's books and records. In all cases, the method adopted must clearly reflect taxable income. (See section 446.)

Unless the law specifically permits, the method of accounting used to report income in prior years (for income as a whole or for any material item) may not be changed without first obtaining consent on Form 3115. Application for Change in Accounting Method.

**Rounding off to whole-dollar amounts.**—Money items may be shown as whole-dollar amounts by eliminating any amount less than 50 cents and increasing any amount from 50 cents and in through 99 cents to the next higher dollar.

**E. Where to file.**—If the corporation's principal office is located in the following Federal Reserve District, file in that district:

New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester: New York, NY 10001  
New York (all other counties), Massachusetts, New Hampshire, Rhode Island, Vermont: Boston, MA 02501

Alabama, Florida, Georgia, Mississippi, South Carolina: Atlanta, GA 31101  
Michigan, Ohio: Cincinnati, OH 45299  
Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas: New Mexico, Oklahoma, Texas: Austin, TX 73101  
California, Colorado, Connecticut, Delaware, District of Columbia, Idaho, Illinois, Indiana, Iowa, Kentucky, Maryland, Massachusetts, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, South Dakota, Utah, Washington, Wyoming: Denver, CO 80201  
Hawaii: Honolulu, HI 96809  
Illinois, Iowa, Missouri, Wisconsin: Kansas City, MO 64199  
California, Hawaii: Fresno, CA 93740  
Indiana, Kentucky, North Carolina, South Carolina, Virginia, West Virginia: Memphis, TN 37501  
Delaware, District of Columbia, Pennsylvania, Maryland, Pennsylvania: Philadelphia, PA 19125

## Foreign corporations carrying on an insurance business within the U.S. must file their returns with the Internal Revenue Service Center, Philadelphia, PA 19255.

The separate income tax returns of a group of corporations located in several Service Center regions may be filed with the Service Center for the area in which the principal office of the managing corporation that keeps all the books and records is located.

**F. When to file.**—The return must be filed on or before March 17, 1980. File Form 7004 to request an automatic 3-month extension of time to file Form 1120M. File Form 7005 to request an additional extension after obtaining an automatic 3-month extension by filing Form 7004.

**G. Depositary method of tax payments.**—The balance of tax due (line 34) must be paid in full when the return is filed or in two installments, 50% on or before March 17, 1980 and 50% on or before June 16, 1980.

Deposit corporation income tax payments and estimated tax payments with a prenumbered Federal Tax Deposit (FTD) Form 503. Make these tax deposits with either a financial institution qualified as a depositary for Federal taxes or the Federal Reserve Bank or branch (FRB) serving the geographic area where the corporation is located. Records of deposits will be sent to the IRS. See instructions for Form 503 for additional information and exceptions.

The timeliness of deposits will be determined by the date received by the financial institution or FRB. If a tax payment is made by mail, a deposit received after the due date will be considered timely if the taxpayer establishes that it was mailed on or before the second day before the prescribed due date as provided by section 7502. Tax deposits made at FRBs which are not in compliance with section 7502 will be considered late.

pliance with deposit requirements will nevertheless be processed by the receiving FRB rather than returned to the taxpayer. Furthermore, such tax payments received by an FRB will be dated as paid based upon the date when the proceeds of the accompanying payment instrument are collected by the FRB, and if made by mail section 7502 will not apply.

Prenumbered FTD Forms 503 will be mailed to corporations on a cyclical basis depending on the taxable year of the corporation. Corporations needing such deposit forms may apply for them where they will file their returns. The application should include the corporation's name, identification number, address, and the taxable year to which the deposits relate.

**Estimated tax.**—A corporation must make estimated tax payments if it can expect its estimated tax (income tax less credits) to be \$40 or more.

Form 1120-W may be used as a worksheet to compute estimated tax.

If there was an overpayment of estimated tax, file Form 4466 for a "quick refund" if the overpayment is (1) at least 10% of your expected income tax liability AND (2) at least \$500. This application must be made within 2½ months after the end of the taxable year and before Form 1120 is filed.

**H. Stock ownership in foreign corporations.**—See section 551(c) and attach the required statement if there was an ownership of 5% or more in value of the outstanding stock of a foreign personal holding company.

A taxpayer who controls a foreign corporation or is a 10% or more shareholder of a controlled foreign corporation, may be required to file Forms 2952 and 3046.

**I. Annual statement.**—A copy of the annual statement for mutual insurance companies adopted by the National Association of Insurance Commissioners for the year 1979, as filed with the Insurance Department of the State or District of Columbia, together with copies of Schedule A (real estate) and Schedule D (bonds and stocks) must accompany the return (see section 1.6012-2(c) of the regulations).

Similar copies for the preceding year must also be furnished, if not already filed for such year.

If you use miniature statements, they may be filed instead of the larger statements.

**J. Signature.**—The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer.

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is imposed on the net amount due—section 6651(a)(1).

Since section 1.6012-2(c) of the regulations requires that the annual statement be filed as part of the return, a penalty may be imposed under section 6651(a)(1) for failure to include the annual statement when filing the return.

2. A corporation that fails to pay the tax when due may be subject to a penalty of ½ a month or fraction of a month, up to a maximum of 25%, for each month the tax is not paid (the penalty is imposed on the net amount due—section 6651(a)(2)).

The above penalties will not be imposed if the corporation can show that the failure to file or to pay was due to reasonable cause and not to willful neglect.

These penalties are in addition to the interest charge imposed on unpaid tax at a rate pursuant to section 6621.

3. A corporation that fails to pay the proper estimated tax when due may be subject to an underpayment penalty for the period of underpayment (section 6655) at a rate pursuant to section 6621.

If estimated tax was underpaid, attach Form 2220 to show how you figured the penalty or which exceptions you believe you meet.

**M. Foreign financial accounts and foreign trusts.**—

Question J. Check the Yes box if either (1) or (2) below applies to you.

(1) At any time during the year you had an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country. Exception: Check No if either of the following apply to you:

• The combined value of the account was \$1,000 or less during the whole year.

• The accounts were with a U.S. military banking facility operated by a U.S. financial institution.

(2) You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Get Form 90-22.1 to see if you are considered to have an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country.

If you checked Yes for Question J, file Form 90-22.1 by June 30, 1980, with the Department of the Treasury at the address shown on the form. Form 90-22.1 is not a tax return, so do not file it with the IRS.

You can get Form 90-22.1 from many IRS offices.

Question K. Check the Yes box if you were a grantor of, or a transferor to, a foreign trust that existed during the tax year.





pany's gross investment income by reason of section 822(b)(2). Do not include losses (a) from sales or exchanges of capital assets, (b) from sales or exchanges of property used in the trade or business, or (c) from the compulsory or involuntary conversion of property used in the trade or business.

#### SCHEDULE A-2—Alternative Tax for Certain Small Companies

Section 821(c) provides an alternative tax for companies if the gross amount reported on line 7, Schedule A, plus premiums, is over \$150,000 but not over \$500,000.

The term "premiums" means the total amount of the premiums and other consideration provided in the insurance contract without any deduction for commissions, return premiums, dividends, dividends to policyholders, dividends left on deposit with the company, discounts on premiums paid in advance, interest applied in reduction of premiums (whether or not required to be credited in reduction of premiums under the terms of the contract), or any other item of a similar nature.

Such term includes advance premiums, premiums deferred and uncollected, and premiums due and unpaid, deposits, fees, assessments, and consideration in respect of assuming liabilities under contracts of reinsurance, but does not include as a payment or transfer of property in an assumption (reinsurance transaction) but does not include amounts received from other insurance companies for losses paid under reinsurance contracts. (See section 1 821-4(a)(1)(v) of the regulations.)

Any mutual insurance company that is subject to the tax imposed by section 821(c) may elect to be subject to the tax imposed by section 821(a). See section 821(d) and the regulations thereunder for election to include statutory underwriting income or loss.

The alternative tax is not available to a company that has a balance in its provision against loss account at the beginning of the taxable year, or to a company that has an election in effect under section 821(d) to be taxed under section 821(c).

If the mutual insurance company meets these qualifications, use Schedule A-2 to compute its income tax liability. Enter the amount from line 22 of Schedule A on line 1 of Schedule A-2. Then complete lines 7 through 20 on page 1 of Form 1120M, using the amount on line 1 of Schedule A-2 for the amount on line 6 of page 1 of Form 1120M. Enter the result of this computation on line 2 of Schedule A-2.

**Special Computation.**—Section 821(c)(1)(B) imposes a limitation on the income tax liability of a mutual insurance company whose taxable investment income (line 1 of Schedule A-2) is less than \$6,000. If the amount entered on

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line 1 of Schedule A-2 is less than \$6,000, subtract \$3,000 from the amount entered on line 1 of Schedule A-2, and multiply the result by 34%. Enter this amount on line 3 of Schedule A-2.

#### SCHEDULE A-3—Other Capital Losses

Total gross receipts from sales of capital assets, line 10, column 3, should not exceed the amount shown on line 9. If necessary, gross receipts from a particular sale of a capital asset should be apportioned in the above schedule and the excess reported in separate Schedule D (Form 1120).

Except for the apportionment, sales reported in this schedule should not be reported in separate Schedule D.

Enter total other capital losses (line 10, column 7) on line 18, Schedule A and line 13, Schedule B-1.

#### SCHEDULE B-1—Income and Deductions

**1. Investment income.**—To all interest, dividends, and rents received during the taxable year, add interest, dividends, and rents due and accrued at the end of the taxable year and deduct all interest, dividends, and rents due and accrued at the end of the preceding taxable year.

**2. Premiums earned.**—From the amount of gross premiums written on insurance contracts during the taxable year, deduct return premiums and premiums paid for reinsurance. To the result so obtained, add unearned premiums on outstanding business at the end of the preceding taxable year and deduct unearned premiums on outstanding business at the end of the taxable year.

**3(a). Gain from sale or other disposition of capital assets.**—Enter the amount of gain (only) from the sale or other disposition of capital assets from Schedule D (Form 1120).

**3(b). Ordinary gain.**—For reporting sales or exchanges of property (other than capital assets) including involuntary conversions, and all section 1245 and section 1250, etc. gains, see Form 4797, Supplemental Schedule of Gains and Losses.

**5. Decrease in subscriber accounts.**—Enter the amount of the decrease for the taxable year in savings credited to subscriber accounts of an insurer or re-insurer underwriter. See instruction 20 for Schedule B-1 for savings credited to subscriber accounts.

**7. Salaries and wages.**—Enter the amount of salaries and wages paid or accrued during the taxable year.

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subject to the limitation of section 1212 (a)(1).

For further information relating to gains and losses from sales or exchanges of property, see instructions for separate Schedule D (Form 1120).

#### Deductions

**10. Interest wholly exempt from tax.**—Enter the amount of interest which is wholly exempt from taxation under section 103.

**11. Investment expenses.**—Enter expenses which are properly chargeable as investment expenses. If you allocate general expenses to investment expenses, the total deduction cannot exceed the limitation on line 18, Schedule A-1. Attach a schedule showing the nature and amount of the items and group the minor items into one amount. See section 822 (c)(2).

**12. Taxes.**—Enter taxes paid or accrued exclusively upon real estate owned by the company as provided in section 164. For limitation on deduction, see instruction 19(a).

**13. Real estate expenses.**—Enter all ordinary and necessary building expenses paid or accrued, such as fire insurance, heat, light, labor, etc.; and the cost of incidental repairs which neither materially add to the value of the property nor appreciably prolong its life, but keep it in an ordinary efficient operating condition. Do not include any amount paid out for new buildings or for permanent improvements or betterments made to increase the value of any property or any amount expended on foreclosed property before such property is held for rental purposes. For limitation on this deduction, see instruction 19(a).

**14. Depreciation.**—The amount deductible for depreciation is an amount reasonably measuring a portion of the investment in depreciable property which, by reason of exhaustion, wear and tear, or obsolescence, is properly chargeable against the operations of the year. In any event, the deduction is limited to the depreciation on the property that is used, and to the extent used, for the purpose of producing the income specified in section 822(b). For limitation on this deduction, see instruction 19(a). Also see instructions for Form 4562, Depreciation.

**15. Opletion.**—See section 613 and 613A for percentage depletion rates applicable to natural deposits. Attach Form T if a deduction is claimed for depletion of timber.

**16. Trade or business deductions.**—Enter total deductions attributable to any trade business (other than an insurance business), income from which is included in the mutual insurance com-

pany's gross investment income by reason of section 822(b)(2). Do not include losses (a) from sales or exchanges of capital assets, (b) from sales or exchanges of property used in the trade or business, or (c) from the compulsory or involuntary conversion of property used in the trade or business.

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**8. Rents.**—Enter the amount of rent paid or accrued for business property in which the company has no equity.

**9. Interest.**—Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax (Section 265).

See section 267 for the limitation on deduction for unpaid expenses and interest in the case of transactions between related taxpayers.

**10. Taxes.**—Enter taxes paid or accrued during the taxable year. Do not include Federal income tax, foreign or U.S. possession income taxes if a foreign tax credit is claimed, or taxes not imposed upon the corporation.

See section 164(d) for apportionment of taxes on real property between seller and purchaser.

**11. Losses incurred on insurance contracts.**—To losses paid during the taxable year, add salvage and reinsurance recoverable outstanding at the end of the preceding taxable year and deduct salvage and reinsurance recoverable outstanding at the end of the taxable year.

To this result, add all unpaid losses outstanding at the end of the taxable year and deduct unpaid losses outstanding at the end of the preceding taxable year.

**12. Capital losses.**—Enter only capital losses to the extent of capital gains from separate Schedule D (Form 1120). Capital gains should be entered on line 3. (Also, see instruction 8 for Schedule A.)

**13. Other capital losses.**—Enter the amount of losses from capital assets sold or exchanged to provide funds to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders. (Also, see instruction 18 for Schedule A.)

**14. Worthless agency balances and bills receivable.**—Enter the amount of debits in the nature of agency balances and bills receivable that became worthless during the taxable year.

**15. Interest.**—Enter the amount of interest earned during the taxable year that is excluded from gross income under section 103.

**16. Depreciation.**—See instructions for Form 4562, Depreciation.

**17. Opletion.**—See instruction 15 for Schedule A.

**18. Contributions.**—Enter contributions or gifts paid within the taxable year to or for the use of charitable and governmental organizations described in section 170(c) and any unused contributions carried over from prior years.

Corporations on the accrual basis may elect to deduct contributions paid or

before the 15th day of the 3d month after the end of the taxable year, if the contributions are authorized by the board of directors during the taxable year.

A declaration, signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the taxable year, and a copy of the resolution, must both be attached to the return.

The total amount claimed may not exceed 5% of line 24, Schedule B-1, computed without regard to any deduction for contributions.

Charitable contributions in excess of the 5% limitation may not be deducted for the taxable year but may be carried over to the next 5 taxable years.

Attach a schedule showing the name of each organization and the amount paid. If a contribution is made in property other than money, describe the kind of property contributed and the method used in determining its fair market value. If the contribution corporation is included, show the amount and how it was determined.

**Special rule for contributions of certain property.**—If a charitable contribution of property is made, the contribution must be reduced by the sum of:

- (1) the ordinary income, short term capital gain, and
- (2) for certain contributions, 60 87% of the long term capital gain,

that would have resulted if the property were sold at its fair market value. The reduction for 60 87% of the long term capital gain applies to (1) contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and (2) contributions of any property to or for the use of certain private foundations (Section 170(c)). For special rules regarding a contribution of inventory, and other ordinary income property (described in section 1221(1) or (2)) to an exempt organization described in section 501(c)(3), for use in the care of the ill, needy, or infants, see section 170(e)(3).

**Bargain sale to a charitable organization.**—If a charitable contribution deduction is taken for property sold to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

**19. Dividends paid or declared to policyholders.**—Enter the amount of dividends and similar distributions paid or declared to policyholders.

**20. Increase in subscriber accounts.**—In the case of a mutual insurance company which is an insurer or reinsurance underwriter, a deduction is allowed for the increase in savings credited to subscriber accounts for the taxable year.

The term "savings credited to subscriber accounts" means such portion of the surplus credited to the individual accounts of subscribers on or before March 15, 1980. This applies only if the company would be obligated to pay such amount promptly to a subscriber if the subscriber terminated the contract at the close of the company's taxable year and only if the subscriber has been notified as required by section 1.823-6(c)(2)(v) of the regulations. For purposes of determining the taxable income, the subscriber must treat any such savings credited to the subscriber's account as a dividend paid or declared.

**21(a). Pension, profit-sharing, etc. plans.**—The number of plans to be entered refers to all plans for which all assets have not been distributed. Also include any plans in which assets were distributed in the current year. The number of plans MUST be indicated whether or not a deduction is claimed.

Except for simplified employee pension plans, complete Form 5500 for each plan and file as a separate return. Complete Form 5500-C in lieu of Form 5500 if there were fewer than 100 participants at the beginning of the plan year. See instructions for above forms for computation of allowable deduction on line 21(e). File these forms on or before the last day of the 7th month following the close of the plan year. ERIE imposes penalties for failure to furnish complete information and failure to file statements and return/reports.

**21(b). Employee benefit programs.**—Enter the amount of your contributions to employee benefit programs (e.g., insurance, health and welfare programs) that are not an incidental part of a pension, profit-sharing, etc., plan included on line 21(a). Also include contributions to a qualified group legal services plan. Section 1.20 imposes certain rules on an employer which will permit employees (including spouses and dependents) to exclude from income employer contributions to a qualified group legal services plan.

**25. Dividends received deduction.**—See instructions for Schedule E, Part II. The 85% limitation on the dividends received deduction does not apply to any year in which there is a loss from statutory underwriting income.

## SCHEDULE B-2.—Special Deduction

In the case of a taxpayer subject to the tax imposed by section 821(a), section 823(c) provides that if the gross amount received during the taxable year from the items described in section 822(b) (other than paragraph (1)(D)) and premiums (including deposits and assessments) is at least \$1,100,000, then there is allowed an additional deduction for the purposes of determining statutory underwriting income or loss under section 823 (a) for the taxable year.

For definition of "premiums" see instructions for Schedule A-2.

## SCHEDULE E.—Dividends

### Part I.—Dividend Income

**1. Certain domestic corporations.**—Enter dividends received from domestic corporations subject to the 85% deduction under section 243(a)(1).

So-called dividends or earnings from mutual savings banks, etc., are really interest and should not be treated as dividends.

For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction.

**2. Certain public utility corporations.**—Enter dividends received on the preferred stock of public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.

**3. Certain foreign corporations.**—Enter dividends received from foreign corporations and which qualify for the 85% deduction provided in section 245(a).

Enter dividends received from wholly-owned foreign subsidiaries and which are eligible for the 100% deduction provided in section 245(b).

In general, this deduction applies to dividends paid on the earnings and profits of foreign corporations for the taxable year during which (1) all of its outstanding stock is owned (directly or indirectly) by the domestic corporation receiving the dividends and (2) all of its gross income from all sources is effectively connected with the conduct of a trade or business within the U.S.

If dividends received from wholly-owned foreign subsidiaries are included in line 3, attach a Schedule showing the amount of these dividends.

**4. Certain affiliated groups.**—Enter only those dividends which are subject to the elective provisions of section 243(b).

## 5. Other corporations.—Attach a schedule showing separately:

(a) Foreign dividends not reportable on line 3. (Exclude distributions of amounts constructively taxed in the current year or in prior years under subpart F.)

(b) Income constructively received from "controlled" foreign corporations equal the total of amounts reported in Schedule A, of Form(s) 3440.

(c) "Gross-up" of dividends for taxes deemed paid under sections 902 and 960.

(d) Dividends (other than capital gain dividends) received from regulated investment companies and which are not subject to the 85% deduction; dividends from tax-exempt organizations; dividends (other than capital gain dividends and exempt-interest dividends) received from a real estate investment trust in which the taxable year of the trust in which the dividends are paid, qualifies under sections 856-860; dividends not eligible for a dividends received deduction because of the holding period of the stock or an obligation to make corresponding payments with respect to similar stock; and any other taxable dividend income not properly reported above.

## Part II.—Dividends received deduction

**3. Dividends received from certain foreign corporations.**—Enter 85% of dividends received from certain foreign corporations.

Enter on this line 100% of the company's share of dividends received from wholly-owned foreign subsidiaries that are eligible for the 100% deduction provided in section 245(b).

See section 245 for qualifications and limitations on the amount of these deductions.

**4. Total.**—This total is subject to the 85% limitation provided by section 246 (b) as follows:

(a) Schedule A.—The line 4 total may not exceed 85% of (line 20, Schedule A, less line 5, Schedule E, Part II).

(b) Schedule B-1.—The line 4 total may not exceed 85% of (line 24, Schedule B-1, less line 5, Schedule E, Part II).

**5. Dividends received from certain members of affiliated groups.**—Members of affiliated groups may elect under section 243(b) to deduct 100% of the qualifying dividends received from other members of the same group. Qualifying corporations which elect to take the 100% deduction are limited to one

\$25,000 amount in each taxable income bracket which must be apportioned under section 1361 among the members of the controlled group. See section 243 (b) for qualifications and restrictions applicable to this deduction.

Attach a schedule using the following format: 1. Name of officer, 2. Social se-

## SCHEDULE F.—Compensation of Officers

Attach a schedule using the following format: 1. Name of officer, 2. Social se-

curity number, 3. Time devoted to business, 4. Amount of compensation, 5. Expense account allowances.

Complete columns 1 through 4, Schedule F, for all officers. Complete column 5, Column 5 does not have to be completed for any officer for whom the combined amount is less than \$30,000.

This information is to be submitted by each member of an affiliated group included in a consolidated return.

compensation, received as advances or reimbursements, and (2) amounts paid by or for the corporation, for expenses incurred by or on behalf of an officer. Column 5 does not have to be completed for any officer for whom the combined amount is less than \$30,000.

This information is to be submitted by each member of an affiliated group included in a consolidated return.



<b>1120S</b> Form 1120S Department of the Treasury Internal Revenue Service	<b>U.S. Small Business Corporation</b> <b>Income Tax Return</b> for calendar year 1979 or other tax year beginning _____, ending _____ 19	<div style="text-align: right; font-weight: bold; font-size: 1.2em;">1979</div> <div style="text-align: right; font-size: 0.8em;">         C Employer identification no. (see instructions 5)          O Date incorporated          E Enter total assets from Schedule A, line 14, column (1) for 1979 (line 1120S-1)       </div>
1 Date of incorporation as small business corporation 2 Business, trade, or service name (see page 6 of instructions)	3 Name 4 Number and street 5 City or town, state, and ZIP code	6 Use this label, other, wise, please 7 If partnership, enter "partnership" or type
IMPORTANT—All applicable lines and schedules must be filled in. If the space on the schedules is not sufficient, see instruction N. Note: If section 455 (deductions limited to amount at risk) applies, see instruction for line 26.		
<b>Income</b>		
1 (a) Gross receipts or sales \$ ..... 1(b) Less returns and allowances \$ ..... Balance ▶ 1(c) ..... 2 2 Cost of goods sold (Schedule A) or operations (attach schedule) ..... 3 3 Gross profit (subtract line 2 from line 1(c)) ..... 4(a) ..... 4(b) ..... 5 4 (a) Domestic dividends ..... (b) Foreign dividends ..... 5 5 Interest on obligations of the U.S. and U.S. instrument-entities ..... 6 6 Other interest ..... 7 7 Gross rents ..... 8 8 Gross royalties ..... 9 9 Gains and losses (attach separate Schedule O (Form 1120S-1)) ..... 9(a) ..... 9(b) ..... 9(c) ..... 10 10 Ordinary gain or (loss) from Form 4797, Part II, line 11 (attach Form 4797) ..... 11 11 Total income—Add lines 3 through 10 ..... 12 12 Compensation of officers (Schedule E) ..... 13 13 (a) Salaries and wages ..... 13(b) Less job credit ..... 14 14 Repairs (see instructions) ..... 15 15 Bad debts (Schedule F if reserve method is used) ..... 16 16 Rents ..... 17 17 Taxes ..... 18 18 Interest ..... 19 19 Contributions (not over 5% of line 2B adjusted per instructions—attach schedule) ..... 20 20 Amortization (attach schedule) ..... 21 21 Depreciation from Form 4562 (attach Form 4562) ..... less depreciation claimed in Schedule A and elsewhere on return ..... Balance ▶ 22 22 Depletion (attach schedule) ..... 23 23 Advertising ..... 24 24 Pension, profit-sharing, etc. plans (see instructions) (enter number of plans ▶) ..... 25 25 Employee benefit programs (see instructions) ..... 26 26 Other deductions (attach schedule) ..... 27 27 Total deductions—Add lines 12 through 26 ..... 28 28 Taxable income (loss) (subtract line 27 from line 11) (see instructions) ..... 29 29 Income tax on capital gains (Schedule O (Form 1120S), Part IV) ..... 30 30 Minimum tax (see instructions—attach Form 4626) ..... 31 31 Total tax (add lines 29 and 30) ..... 32(a) ..... 32(b) ..... 32(c) ..... 32 Payments: (a) Tax deposited with Form 7004 ..... (b) Tax deposited with Form 7005 (attach copy) ..... 33 TAX DUE (subtract line 32 from line 31). See instruction G for 436 or 436-T ..... 34 34 OVERPAYMENT (subtract line 31 from line 32) ..... 35		
<b>Tax</b>		
35 Signature of officer ..... 36 Signature of preparer ..... 37 Firm's name (or individual's name if self-employed) ..... 38 Firm's address ..... 39 City, state, and ZIP code ..... 40 Date ..... 41 Check if self-employed ..... 42 Preparer's social security no. ..... 43 E.I. No. ..... 44 Zip code .....		

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L Did you claim a deduction for expenses connected with:

- (a) Entertainment facility (boat, resort, ranch, etc.)? ☐ Yes ☐ No
- (b) Living accommodations (except for employees on business)? ☐ Yes ☐ No
- (c) Employees attending conventions or meetings outside the U.S. or its possessions? ☐ Yes ☐ No
- (d) Employee's families at conventions or meetings? ☐ Yes ☐ No
- (e) "Yes," were any of these conventions or meetings outside the United States or its possessions? ☐ Yes ☐ No
- (f) Employee or family vacations not reported on Form W-2? ☐ Yes ☐ No

(2) Enter total amount claimed on Form 1120S for entertainment, entertainment facilities, gifts, travel, and conventions of the type for which substantiation is required under section 274(c). (See instruction U1)

M Did you file all required Forms 1087, 1096, and 1099? ☐ Yes ☐ No

N At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see instruction R)? ☐ Yes ☐ No

O Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520-A or 926. ☐ Yes ☐ No

P During this tax year was any part of your tax accounting records maintained on a computerized system? ☐ Yes ☐ No

Q (1) Did you elect to claim amortization under section 191? ☐ Yes ☐ No

(2) Amortizable basis (see instruction for line 20)

R Did you elect to claim depreciation under section 191? ☐ Yes ☐ No

(2) Depreciable basis (see instruction for line 20)

S Schedule K Computation of Undistributed Taxable Income and Summary of Distributions and Other Items

1 Taxable income (line 28, page 1)

2 Less: (a) Money distributed as dividends out of earnings and profits of the tax year

(b) Tax imposed on certain capital gains (line 31, page 1)

3 Corporation's undistributed taxable income

4 Actual dividend distributions taxable as ordinary income. (Do not include amounts shown on line 6.)

5 Actual dividend distributions taxable as long-term capital gains (after tax)

6 Actual dividend distributions taxable as ordinary income and qualifying for dividend exclusion

7 Nondividend distributions

8 Undistributed taxable income—taxable as ordinary income or loss

9 (a) Undistributed taxable income—taxable as long-term capital gain (after tax) (see instructions)

(b) Portion of line 9(a) attributable to transactions after 10-31-78 (after tax) (if a loss, enter zero)

(c) Portion of line 9(a) attributable to transactions before 11-1-78—Subtract line 9(b) from 9(a)

10 Investment credit property

11 Interest on investment indebtedness:

(a) (1) Interest on investment indebtedness incurred before 12-17-69

(2) Interest on investment indebtedness incurred before 9-1-75, but after 12-16-69

(3) Interest on investment indebtedness incurred after 9-1-75

(b) Net investment income or loss

(c) Excess expenses from "net lease property"

(d) Net capital gain attributable to investment property

12 Items of tax preference (see instructions): (a) Accelerated depreciation on—(1) Low income rental housing

(2) Other real property

(3) Personal property subject to a lease

(b) Amortization: (1)

(2)

(3)

(4)

(c) Reserve for losses on bad debts of financial institutions

(d) Depletion

(e) Intangible drilling costs

(f) Net capital gain (after tax)

13 Jobs credit

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## Schedule L Balance Sheets

	(A) Amount	(B) Total	(C) Amount	(D) Total
<b>Assets</b>				
1 Cash				
2 Trade notes and accounts receivable				
3 Inventories				
4 Less allowances for bad debts				
5 Other current assets (attach schedule)				
6 Loans to shareholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other fixed depreciable assets				
10 Depreciable assets				
11 Land (net of any amortization)				
12 Intangible assets (amortizable only)				
13 Other assets (attach schedule)				
14 Total assets				
<b>Liabilities and Shareholders' Equity</b>				
15 Accounts payable				
16 Morts, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)				
18 Loans from shareholders				
19 Morts, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Capital stock				
22 Paid in or capital surplus				
23 Retained earnings—appropriated (attach schedule)				
24 Retained earnings—unappropriated				
25 Shareholders' undistributed taxable income previously taxed				
26 Less cost of treasury stock				
27 Total liabilities and shareholders' equity				

## Schedule M-1 Reconciliation of Income Per Books With Income Per Return

1 Net income per books		7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax		(a) Tax-exempt interest	
3 Excess of capital losses over capital gains		(b) Depreciation	
4 Income subject to tax not recorded on books this year (itemize)		(c) Deductions in this tax return not charged against book income this year (itemize)	
5 Expenses recorded on books this year not deducted in this return (itemize)		(d) Depreciation	
6 Total of lines 1 through 5		9 Total of lines 7 and 8	
10 Income (line 28, page 1)—line 6 less line 9			

## Schedule M-2 Analysis of Unappropriated Retained Earnings Per Books (line 24 above)

1 Balance at beginning of year		5 Distributions out of current or accumulated earnings and profits: (a) Cash	
2 Net income per books		(b) Stock	
3 Other increases (itemize)		(c) Property	
4 Total of lines 1, 2, and 3		(d) Other decreases (itemize)	
		8 Total of lines 5, 6, and 7	
		9 Balance at end of year (line 4 less line 8)	

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# 1979 Department of the Treasury

## Instructions for Form 1120S

### U.S. Small Business Corporation Income Tax Return

(References are to the Internal Revenue Code.)

You may find Publication 589, Tax Information on Subchapter S Corporations, helpful. You can get it from your local Internal Revenue Service office.

#### General Instructions

**A. Who Must File Form 1120S.**—You must file Form 1120S if:

- (1) You are a small business corporation during the first year of its Internal Revenue Code election on Form 2553, section 1372.
- (2) And you filed a proper and timely election on Form 2553, section 1372.
- (3) And you are not subject to the income tax imposed by chapter 1 (except by sections 581(g)(2) and 1378).

**B. End of Election.**—The election by the corporation automatically ends in the following cases:

- (1) If a new shareholder affirmatively refuses to consent to the election by the 60th day after the day the shareholder acquired the stock. A new shareholder acquired the stock if he or she was not a shareholder on the first day of the first tax year for which the election is effective or on the day the election is made, whichever is later.

The shareholder's affirmative refusal must be filed with the Internal Revenue Service Center that has jurisdiction for the area where the principal business, office, or agency of the corporation is located.

(2) If the corporation is no longer a small business corporation as defined in section 1371(a).

(3) If more than 80% of the corporation's gross receipts come from sources outside the United States.

(4) If more than 20% of the corporation's gross receipts are "passive investment" income, as defined in section 1372(e)(5)(C). However, this does not apply during the first two tax years of active conduct of the business if the passive investment is less than \$3,000.

The ending of an election for any of these reasons is effective for the tax year of the corporation in which any of the cases above occur and for all following tax years of the corporation. (See sections 1372(c) and (f).)

Section 1371(c)(1) limits an electing small business corporation to 15 shareholders (less than 100 if the corporation is a husband and wife and their estates) are considered as one shareholder. Also, see section 1371(e) about certain trusts that may be permitted as shareholders.

Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia, Wisconsin, Wyoming, Pennsylvania, Maryland, Delaware, District of Columbia, Puerto Rico, Guam, American Samoa, Northern Mariana Islands, Virgin Islands, U.S. Possessions.

**G. Depository Method of Paying the Tax.**—You must pay the balance of the tax (line 33) either (1) in full when you file the return or (2) in two equal installments. The first installment is due by the 15th day of the 3rd month after the end of the tax year. The second installment is due by the 15th day of the 6th month after the end of the tax year.

**H. Change in Accounting Period.**—To change an accounting period, see section 1.442-1 of the regulations and Form 1128, Application for Change in Accounting Period. Also see Publication 538, Accounting Periods and Methods.

**I. Accounting Methods.**—Figure taxable income using the method of accounting regularly used in keeping the corporation's books. If the method used is not the method employed must clearly reflect taxable income. (See section 446.)

A corporation may change the method of accounting used to report income in earlier years (for income as a whole or for any material item) only by first getting consent from the Internal Revenue Service on Form 3142, Application for Change in Accounting Method, unless the law specifically states otherwise.

**Rounding Off to Whole Dollar Amounts.**—You may round off dollar amounts by eliminating any amount less than 50 cents and increasing any amount from 50 cents through 99 cents to the next higher dollar.

**J. Information Returns That May Be Required.**—

**Form 1096.**—Annual Summary and Transmittal of U.S. Information Returns. Forms 1099-RCD, DIV, INT, MED, MSC, ODI, PATR and R—You may have to file these forms with Form 1120S if you have dividends, interest income, medical and health care payments, miscellaneous income, original issue discount, patronage dividends, and total distributions from profit sharing plans, retirement plans, and individual retirement arrangements.

**Form 1099-DIV.**—Dividend and dividend distributions taxable as ordinary income. actual dividend distributions taxable as long-term capital gains (after tax), nondividend distributions, and dividends qualifying for the dividend exclusion.

**Use Schedule K-1 (Form 1120S) to report constructive dividends (undistributed taxable income). Do not report them on Form 1099-DIV.**

**Forms 966 and 1099L.**—Use these information returns to report dissolution or liquidation, and distributions in liquidation.

**K. Stock Ownership in Foreign Corporations.**—If the corporation owned at least 5% in value of the outstanding stock of a foreign personal holding company, which the statement required by section 951(f)(1). A taxpayer who controls a foreign corporation must file Form 1120S, and the shareholder of a controlled foreign corporation, may have to file Forms 2952 and 3646.

**L. Balance Sheets.**—The balance sheets must agree with the corporation's books and records. You must attach balance sheets required by Federal, State, or other authorities in place of Schedule L. Include certificates of deposit as cash on line 1 of the balance sheet.

Complete the financial statements in accordance with the method of accounting used in figuring taxable income.

**M. Net Operating Loss and Other Deductions.**—An electing small business corporation may not take the deduction for net operating losses provided by section 172 and the special deductions in Part VII (except section 248) of subchapter B. (See section 1371(c)(3).)

If the corporation is not operating loss is allowed for the year, the loss must be allocated to the shareholders of the corporation. (Section 1374.)

**N. Attachments.**—If you need more space on forms or schedules, attach separate sheets which show computations in detail and order and file them with the return on the back of Form 1120S. Be sure to put the corporation's name and employer identification number on these separate sheets.

**O. Signature.**—The return must be signed and dated by the president, vice president, chief financial officer, or other corporate officer (such as tax officer) authorized to sign.

A receiver, trustee, or assignee must sign and date any return he or she is required to file on behalf of a corporation.

If your corporate officer files in Form 1120S, the space under "signature of officer" should remain blank. If someone else signs the return, the officer must sign the return. Certain officers who prepare Form 1120S should not sign. For example, a regular, full-time employee of the corporation such as a clerk or secretary does not have to sign. (This list is not all inclusive.)

In general, anyone paid to prepare Form 1120S must sign the return and fill in the other blanks in the Paid Preparer's Information area of the return.

**When more than one person prepared Form 1120S, the preparer with primary responsibility for the overall accuracy of the return must sign as the preparer.**

If the preparer is self-employed (that is, not employed by any person or business to prepare the return), he or she should check the "self-employed" box in the preparer's section of Form 1120S.

If you have questions about whether a preparer must sign Form 1120S, please contact an IRS office.

The person required to sign the return as preparer MUST complete the required preparer information and:

- Sign it, by hand, in the space provided for the preparer's signature. (Signatures or stamps or labels are not acceptable.)
- Give a copy of Form 1120S to the taxpayer in addition to the copy filed with IRS.

Tax return preparers should be familiar with their responsibilities. Publication 1045, Information for Preparers of Federal Income Tax Returns, lists some of the preparer's other responsibilities and penalties for which he or she may be liable. The publication also contains the regulation citations which govern their work.

**P. Transfers to Corporation Controlled by or for a Person.**—If a person acquires stock or securities of a corporation in exchange for property, and no gain or loss is recognized under section 351, the transferor and transferee must attach the information required by section 1351-3 of the regulations.

**Q. Penalties.**—

(1) A corporation that fails to file its tax return by the due date including any extensions may have to pay a penalty of 5% for each month, up to a maximum of 25%, for failure to file. (The penalty is imposed on the net amount due—section 6651(a)(1).)

(2) A corporation that fails to pay the tax when due may have to pay a penalty of 5% for each month, up to a maximum of 25%, for failure to pay. (The penalty is imposed on the net amount due—section 6651(a)(2).)

These penalties will not be imposed if the corporation can show that the failure to file or to pay was due to reasonable cause and not to willful neglect.

These penalties are in addition to the interest charges imposed on unpaid tax at a rate under section 6621.

**R. Foreign Financial Accounts and Foreign Trusts.**—

Question N. Check the Yes box if either (1) or (2) below applies to you.

(1) At any time during the year you had an interest in, or signature or other account, or other financial interest, in any foreign country. Exception. Check No if either of the following apply to you:

• The combined value of the accounts was \$1,000 or less during the whole year.

• The accounts were with a U.S. military banking facility operated by a U.S. financial institution.

(2) You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Get Form 90-22.1 to see if you are considered a U.S. person for tax purposes or other authority over a bank account, securities account, or other financial account in a foreign country.

If you checked Yes for Question N. file Form 90-22.1 by June 30, 1980, with the Department of the Treasury at the address shown on the form. Form 90-22.1 is not a tax return, so do not file it with the IRS. Put a copy to file your Form 1120S with the IRS.

You can get Form 90-22.1 from many IRS offices.

Question O. Check the Yes box if you were a grantor of, or a transferor to, a foreign trust that entered during the tax year.

**S. Item C. Employer Identification Number (EIN).**—If the employer identification number (EIN) is wrong on the label or if you did not receive a label, write the correct number on the return.

A corporation that does not have an EIN should apply for one on Form SS-4, available from any IRS or Social Security Administration office. Send Form SS-4 to the nearest IRS office. It will be mailed to the address on Form 1120S. If you did not receive Form 1120S, it is sent, write "applied for" in the space for EIN; if it is not received by the time Form 1120S is filed.

**T. Item E. Total Assets.**—If there are no assets at the end of the tax year, show the total assets as of the beginning of the tax year.

**U. Travel and Entertainment Expenses (Section 274(d)).**—See Form 1120S, item L(2), page 3.) Enter the total amount spent during the year for entertainment, entertainment facilities, gifts, travel, and other expenses for which a deduction would be required under section 274(d).

Expenditures paid or incurred in tax years ending in 1979, merchandise purchased for resale, or capitalized in asset accounts, etc., should be reported in the total as if they were fully deducted on the return even though all or a portion of such expenditures are included in ending inventory, asset accounts, etc.

Do not include amounts treated as compensation and reported on Forms W-2.

See regulations section 1.274-5 for definitions and rules governing the types of expenditures that are deductible and required and therefore reportable in item L(2).

Generally, for tax years ending after 1978, you may not take a deduction for any expense paid or incurred for a facility used for entertainment, amusement, or recreation. See section 274(a).

## Specific Instructions

(Numbered to correspond to the line numbers on page 1 of the return)

### Gross Income

1. **Gross receipts.**—Enter gross receipts or sales from all business operations except those you must report on lines 4 through 10. For reporting advance payments and long-term contracts, see section 1451-5 of the regulations.

If you use the installment method, enter on line 1 the gross profit on collections amounting to line 3. Attach a schedule showing for the current year and 3 preceding years (a) gross sales, (b) cost of goods sold, (c) gross profit, (d) percentage of gross profit to gross sales, (e) amount collected, and (f) gross profit on amount collected.

2. **Schedule A—Cost of goods sold.**—Valuation methods.—Your inventories can be valued at: (a) cost, (b) cost or market value (whichever is lower), or (c) any other method approved by the Commissioner. Attach a schedule showing the methods conform with the provisions of the applicable regulations cited below.

Taxpayers using erroneous valuation methods should request permission to change to a method permitted for Federal income tax purposes. For further information regarding the change, see Regulation section 1.446-1(c)(3).

Check the method(s) used for valuing inventory on line 1. If you use the cost or market value method, generally you must use the same method for all property to normal market conditions where there is a current bid price prevailing at the date the inventory is valued. When no regular open market exists or when quotations are nominal because of inactive market conditions, reliable sales prices, comparable sales, or other factors, you may use the method that occurred near the date the inventory is valued. For additional requirements, see Regulation section 1.471-4.

Inventory may be valued below cost when the merchandise is unsalable at normal prices or unsalable in the normal way because the goods are "subnormal" (that is, they are not in the normal condition or are defective within the meaning of Regulation section 1.471-2(c)). Such goods may be valued at a current bona fide selling price less direct cost of disposition (but not less than scrap value) where the taxpayer can establish such a price. See Regulation section 1.471-2(c) for additional requirements.

In line 8(b), indicate whether you used a method of inventory valuation other than those described in the method used. If this is the first year you used the "Last-in First-out" (LIFO) inventory method under section 472, attach Form 970 or a statement with Form 1120S and Form 1120C, and explain the method.

Amount or percent (estimates) may be

used) of total closing inventories covered under section 472 in line 8(d).

Full absorption method of inventory costing.—If you are engaged in manufacturing, you must use the full absorption method of inventory costing. If you are not using it, you must change to this method. Under it, both direct and indirect production costs are included for inventory valuation purposes.

You may use Form 3115 to change to full absorption. For further details, see Revenue Procedure 75-40, 1975-2 CB 571, and section 1.471-11 of the regulations.

Cost of operations (where inventories are valued at cost).—Enter the amount for the cost of operations, attach a schedule showing (1) salaries and wages and (2) other costs in detail.

6. **Other interest.**—Enter interest on loans, sales, mortgages, bonds, bank deposits, corporate bonds, etc.

Do not offset interest income against interest expense.

7. **Gross rents.**—Enter the gross amount you received for renting property.

In the proper lines, deduct expenses such as repairs, interest, taxes, and depreciation.

The corporation may be limited in the amount of expense deductions for renting a vacation home if a shareholder uses the property for personal purposes. (See section 280A.)

9. **Sales or exchanges of capital assets and other property.**—See separate Schedule D (Form 1120S), and Form 4797, Supplemental Schedule of Gains and Losses.

If line 9(b) is more than \$25,000, see instructions for Part IV, Tax Computation, of Schedule O (Form 1120S).

Report every sale or exchange of a capital asset in detail in Schedule O (Form 1120S) even though there is no gain or loss.

10. **Other income.**—Enter any other taxable income not listed above and explain its nature on an attached schedule.

18. **Interest.**—Enter interest, expense, including investment interest expense. Do not include interest on indebtedness that is incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. For exceptions, see item (2) of section 265.

For section 267 for limits on deductions for interest on tax-exempt securities on transactions between related taxpayers.

Do not deduct amounts paid or accrued during the year for real property construction period interest (other than low-income housing). See instructions for line 20 for information on amortizing these amounts. However, you may deduct amounts paid or accrued during the year for real property construction period interest if the construction period began in a taxable year beginning before January 1, 1976, and also for residential real property if the construction period began in a taxable year beginning before January 1, 1976. (See section 168.)

19. **Interest.**—Enter interest, expense, including investment interest expense. Do not include interest on indebtedness that is incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. For exceptions, see item (2) of section 265.

For section 267 for limits on deductions for interest on tax-exempt securities on transactions between related taxpayers.

Do not deduct amounts paid or accrued during the year for real property construction period interest (other than low-income housing). See instructions for line 20 for information on amortizing these amounts. However, you may deduct amounts paid or accrued during the year for real property construction period interest if the construction period began in a taxable year beginning before January 1, 1976, and also for residential real property if the construction period began in a taxable year beginning before January 1, 1976. (See section 168.)

20. **Amortization.**—Generally, if a deduction is taken for an asset, the cost of the asset must be recovered over its useful life. Attach a schedule showing: (1) a description of the expenditures being amortized; (2) date acquired, completed, or expended; (3) amount being amortized; (4) amortization deducted in earlier years; (5) amount being amortized in the current year.

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beginning before January 1, 1978. (See section 193.)

23. **Salaries and wages.**—Enter on line 13a the amount of total salaries and wages (other than total salaries and wages deducted under section 162(m)) paid or incurred for the taxable year.

Enter on line 13b the applicable jobs credits from line 9 of Form 5884. See instructions for line 9 of Form 5884 for information.

14. **Repairs.**—Enter the cost of incidental repairs, such as labor and supplies, that do not add to the value of the property or appreciably prolong its life.

Include in this line the total amount of repairs figured under the Class Life Asset Depreciation Range (CLADR) system.

You may choose to deduct as a current expense certain expenses for the removal of structural and transportation barriers to the handicapped. See section 190 and related regulations.

15. **Bad debts.**—You may treat bad debts either in two ways: (a) as a deduction for the year in which they are written off, or (b) as a deduction for a reasonable addition to a reserve for bad debts. (Section 166.)

You may apply on Form 3115 to change the method of figuring bad debts.

17. **Taxes.**—Enter taxes paid or accrued during the tax year.

Do not include Federal income tax or taxes not imposed on the corporation. See section 164(c) for dividing taxes on real property between a partner and buyer.

Do not deduct amounts paid or accrued during the year for real property construction period taxes if the construction period began in a taxable year beginning before January 1, 1976, and also for residential real property if the construction period began in a taxable year beginning before January 1, 1976. (See section 168.)

18. **Interest.**—Enter interest, expense, including investment interest expense. Do not include interest on indebtedness that is incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. For exceptions, see item (2) of section 265.

For section 267 for limits on deductions for interest on tax-exempt securities on transactions between related taxpayers.

Do not deduct amounts paid or accrued during the year for real property construction period interest (other than low-income housing). See instructions for line 20 for information on amortizing these amounts. However, you may deduct amounts paid or accrued during the year for real property construction period interest if the construction period began in a taxable year beginning before January 1, 1976, and also for residential real property if the construction period began in a taxable year beginning before January 1, 1976. (See section 168.)

20. **Amortization.**—Generally, if a deduction is taken for an asset, the cost of the asset must be recovered over its useful life. Attach a schedule showing: (1) a description of the expenditures being amortized; (2) date acquired, completed, or expended; (3) amount being amortized; (4) amortization deducted in earlier years; (5) amount being amortized in the current year.

4

amortization period (number of months); (6) amortization for this year; and (7) the amount of amortization minus the amount claimed in Schedule A, Form 1120S.

25. **Employee benefit programs.**—Enter the amount of contributions to employee benefit programs (such as insurance and pension plans) for the taxable year that are not an incidental part of compensation or profit sharing, etc., plan included in line 24.

Also include the corporation's contributions to a qualified group-term life insurance plan established for the exclusive benefit of employees (including shareholders or their spouses or dependents). Section 120(b)(1) requires that such contributions be made to a qualified group-term life insurance plan.

26. **Other deductions.**—In most cases, you may deduct the amount of any item or part of it allowable to a class of exempt income. The exception is certain parts of interest included by face amount certificate companies registered under the Investment Company Act of 1940. (See section 265(2) for exceptions.)

Items directly attributable to that class of taxable income must be allocated to that taxable income.

If an item is indirectly attributable both to taxable income and to exempt income, allocate a reasonable proportion of the item to each, based on all the facts in each case.

Attach a statement showing: (1) the amount of the deduction; (2) the amount of expense items allocated to each class; and (3) the amount allocated by apportionment separately.

In the case of a farming syndicate, a deduction for amounts paid for feed, seed, fertilizer, or other similar farm supplies is allowed only in the tax year in which these items are used. See section 162(h) for definitions, exceptions to the general rule, and special rules for orchard and unyard expenses, see section 278.

For special treatment of certain expenditures incurred in the production of films, books, records, or similar property, see section 280.

Any loss or losses from section 465 activities which were not allowable for distribution to shareholders in the taxable year 1978 tax year, because of section 465 limitations is treated as a deduction allocated to the activity in 1979. (See section 465 and the instruction for line 28 for details.)

28. **Taxable income.**—Special "at risk" rules apply to a small business corporation engaged in any activity (except the holding of real property other than mineral property) as a trade or business or for the production of income. If applicable, these rules require that the corporation's losses be entered on line 28.

A corporation's section 465(d) loss from each activity for the tax year is limited to the amount for which the corporation is "at risk" for the activity at the end of the tax year. The corporation is considered "at risk" for an activity for amounts described in section 465(b)(1) and (2). The amounts

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► Attach to your tax return.

Department of the Treasury Internal Revenue Service	Name
--	------

Employer Identification number

a. Kind of property and disposition (Example: 100 shares of XYZ Co.)	b. Cash acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price less expense of sale	e. Cost or other basis	f. Gain or (loss) (d less e)
1					
2					
3					

[illegible]

8	Net capital gain—Enter excess of net long-term capital gain (line 6) over net short-term capital loss (line 3).	
9	Net capital loss—Enter excess of net short-term capital loss (line 3) over net long-term capital gain (line 6).	
10	Net capital loss carryover—Enter amount from line 9(b).	
<b>Part IV Tax Computation (see Instructions for Part IV)</b>		
9	Taxable income (Form 1120S, page 1, line 28)	
10	Enter tax on line 9 as computed in the Instructions for line 10.	
11	Net capital gain, line 8 above	
<b>Note:</b> If Part I or Part II includes transactions entered into by conduits (partnerships, etc.) before 1-1-79, skip lines 12, 13, and 14 and complete the tax computation in the instruction for line 15.		
12	0	\$25,000
13	0	\$25,000
14	0	\$25,000

14 Enter 28% of line 13. . . . .

15 Income tax on capital gains—Enter the smaller of line 10 or line 14 here and on Form 1120S, page 1, line 29. . . . .

[illegible][illegible][illegible]

**Installment Sales.**—If you sell property and receive payments in two or more tax years, you may be able to report the gain

a corporation is a component member of a controlled group of corporations, see section 1561 and related regulations for rules on how to allocate the amounts on lines (b), (d), (f), and (h) in the instruction for line 10 below.

Schedule O (Form 1120S), or line (j) above. (Enter here and on line 15, Schedule O (Form 1120S), and on Form 1120S, page 1, line 29)

**Note:** If for any reason the computations for lines 10 or 15 are made on a separate schedule(s), attach the schedule(s) to Schedule D (Form 1120S).

Page 2

Form 3468 (1979)

17 Allowed regular investment credit—Enter smaller of line 10 or line 16. . . . .  
 Note: If line 10 exceeds line 16, the excess is an unused regular investment credit. See instruction F.

18 Nonrefundable business energy investment credit limitation—Subtract line 17 from line 14. . . . .

19 Enter nonrefundable business energy investment credit from line 8 of Schedule 8 (Form 3468). . . . .

20 Allowed nonrefundable business energy investment credit—Enter smaller of line 18 or line 19. . . . .  
 Note: If line 19 exceeds line 18, the excess is an unused nonrefundable business energy investment credit. See instruction F.

21 Total allowed regular investment credit and nonrefundable business energy investment credit—Add lines 17 and 20. Enter here and on Form 1040, line 41; Schedule J (Form 1120), line 4(b), page 3; or the appropriate line on other returns. . . . .

**Schedule A** If any part of your investment in line 1 or 4 above was made by a partnership, estate, trust, small business corporation, or lessor, complete the following statement and identify property qualifying for the 7% or 10% investment credit.

Name (Partnership, estate, trust, etc.)	Address	Progress expenditures	Property New	Used	Life years
		\$	\$	\$	

(If property is disposed of prior to the life years used in figuring the investment credit, see instruction E.)

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1979  
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# 3468

Form  
Department of the Treasury  
Internal Revenue Service

Identifying number as shown on page 1  
 of your tax return

► Attach to your tax return.

## Computation of Investment Credit

Check the applicable box(es) below to elect the provisions of the specified code section(s):

A The corporation elects the basic or basic and matching ESOOP percentage under section 46(n)(1). . . . . ☐

B I elect to increase my qualified investment to 100% for certain commuter highway vehicles under section 46(c)(6). . . . . ☐

C I elect to increase my qualified investment under section 46(d) by all qualified progress expenditures made in the tax year and all subsequent years. . . . . ☐

1 Use the format below to list your qualified investment in new or used property acquired or constructed and placed in service during the tax year, and the progress expenditures made during the tax year and certain prior tax years and (c) qualified rehabilitation expenditures for the year. See the instructions for line 1(a) through 1(f).

If you are claiming 100% investment credit on certain ships, check this block ☐ See instruction K for details.

Note: Include your share of investment in property made by a partnership, estate, trust, small business corporation, or lessor.

Type of property	Line	(1) Life years	(2) Cost or basis (See instruction Q)	(3) Applicable percentage (See instruction Q)	(4) Investment percentage (Column 2 x column 3)
New property	(a)	3 or more but less than 5		33 1/3	
	(b)	5 or more but less than 7		66 2/3	
	(c)	7 or more		100	
Commuter highway vehicle	(d)	3 or more		100	
	(e)	5 or more		20	
	(f)	7 or more		100	
Qualified progress expenditures	(g)	3 or more but less than 5		33 1/3	
	(h)	5 or more but less than 7		66 2/3	
	(i)	7 or more		100	
Used property	(j)	3 or more		100	
(See instructions for dollar limits)					
Commuter highway vehicle	(k)	3 or more		100	

2 Qualified investment—Add lines 1(a) through 1(j). (See instruction M for special limits). . . . .

3 10% of line 2. . . . .

4 7% (4% for public utility property) of certain property (see instruction Q). . . . .

5 Corporations electing the basic or basic and matching ESOOP percentage for contributions to ESOOPs—Check election box A above (see instruction I and instruction for line 5)

(a) Basic 1% credit—Enter 1% of line 2. . . . .

(b) Matching credit (not more than 0.5%)—Enter allowable percentage times adjusted line 2 (attach schedule). . . . .

6 Patron's regular investment credit—Enter credit allocated from cooperative. . . . .

7 Total—Add lines 3 through 6. . . . .

8 Carryover of unused credits. . . . .

9 Carryback of unused credits. . . . .

10 Tentative regular investment credit—Add lines 7, 8, and 9. . . . .

**Tax Liability Limitations**

11 (a) Individuals—Enter amount from Form 1040, line 37, page 2. . . . .

(b) Estates and trusts—Enter amount from Form 1041, line 27, page 1. . . . .

(c) Corporations—Enter amount from Schedule J (Form 1120), line 3, page 3. . . . .

12 (a) Credit for the elderly (individuals only). . . . .

(b) Foreign tax credit. . . . .

(c) Tax on lump-sum distribution from Form 4972 or Form 5544. . . . .

(d) Possessions corporation tax credit (corporations only). . . . .

(e) Section 22(n)(5) penalty tax (individuals only). . . . .

13 Total—Add lines 12(a) through 12(e). . . . .

14 Subtract line 13 from line 11. . . . .

15 (a) Enter smaller of line 14 or \$25,000. See instruction M for special limits. (Married persons filing separately, controlled corporate groups, estates, and trusts, see instruction for line 15). . . . .

(b) If line 14 is more than line 15(a) and you are a 1979 calendar year taxpayer, enter 60% of the excess (if your tax year ends in 1980, enter 70% of the excess). (Public utilities, railroads, and airlines, see instruction J). . . . .

16 Regular investment credit limitation—Add lines 15(a) and (b). . . . .

(Continue computation on back.)

Form 3468 (1979)





# **SCHEDULE B** **(Form 3468)** **Computation of Business** **Energy Investment Credit**

Department of the Treasury  
Internal Revenue Service

**1979**

Identifying number

**Note.** All filers are to attach a schedule showing the computation of total basis and total qualified investment for each category (lines 1(a) through 1(e) and line 9) of energy property. See instructions.

## **Part I** **Nonrefundable Business Energy Investment Credit**

1	Enter total amounts from attached schedule(s) for each category of energy property below:	(a) Basis	(b) Qualified investment
(a)	Alternative energy property		
(b)	Specialty defined energy property		
(c)	Recycling equipment		
(d)	Shale oil equipment		
(e)	Equipment for producing natural gas from geopressured brine		
2	Add lines 1(a) through 1(e), columns (a) and (b)		
3	Enter 10% of line 2, column (b)		
4	Patron's nonrefundable business energy investment credit—enter credit allocated from cooperative		
5	Current year nonrefundable business energy investment credit—Add lines 3 and 4		
6	Carryover of unused credit(s)		
7	Carryback of unused credit(s)		
8	Nonrefundable business energy investment credit—Add lines 5, 6, and 7. Enter here and on line 19 of Form 3468		

## **Part II** **Refundable Business Energy Investment Credit**

9	Enter total amounts for solar and wind energy property from attached schedule	(a) Basis	(b) Qualified investment
10	Refundable business energy investment credit—Enter 10% of line 9, column (b), here and on the appropriate line of Form 1040, Form 1120, and other returns as explained in the instructions for line 10		

**Part III** **If Any Part of Your Investment in Parts I and II Above was Made by a Partnership, Estate, Trust, Small Business Corporation, or Lessor, Complete the Following Statement:**  
(Under "Category," indicate which line applies—1(a), (b), (c), (d), (e) or line 9.)

Name	Address	Category	Life years	Progress expenditures	Basis
(Partnership, estate, trust, etc.)				\$	\$

## **Refundable Business Energy Investment Credit**

Effective for tax years ending after September 30, 1978, you may take a refundable business energy investment credit for solar and wind energy property that you acquired or constructed after September 30, 1978. This means that the credit can be used to offset your income tax liability. The credit is 10% of the qualified investment in solar or wind energy property, as defined in section 48(i)(3). Figure the credit in Part II of Schedule B (Form 3468) on your income tax return (Form 1040, Form 1120, etc.). See the instructions for line 10.

**Nonrefundable Business Energy Investment Credit**  
Effective for tax years ending after September 30, 1978, you may take a nonrefundable business energy investment credit for solar and wind energy property that you acquired or constructed after September 30, 1978. This means that the credit can be used to offset your income tax liability. The credit is 10% of the qualified investment in solar or wind energy property, as defined in section 48(i)(3). Figure the credit in Part I of Schedule B (Form 3468) on your income tax return (Form 1040, Form 1120, etc.). See the instructions for line 10.

refundable energy credit for an investment in energy property that you acquired or constructed after September 30, 1978. The credit is 10% of the qualified investment in solar or wind energy property, as defined in section 48(i)(3). Figure the credit in Part I of Schedule B (Form 3468) on your income tax return (Form 1040, Form 1120, etc.). See the instructions for line 10.

The credit is limited to 100% of tax liability as defined in section 46(a)(4), reduced by the allowable credit for regular investment credit (Form 3468) and the credit in Part I of Schedule B (Form 3468) and then enter it on Form 3468 to determine the allowable credit for the year.

**Business Energy Investment Credit is in Addition to Regular Investment Credit**  
In general, the refundable or nonrefundable energy credit is in addition to the regular investment credit. However, if the energy property also qualifies as an energy property, list it only on Schedule B (Form 3468).

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Schedule B (Form 3468) 1979

## **General Instructions**

**A. Who Must File.**—If you are an individual, estate, trust, corporation, or organization claiming the refundable or nonrefundable business energy investment credit, you must file this schedule with your income tax return. An exempt organization may also claim the credit if the energy property is used mainly in an unrelated trade or business whose income is subject to tax under section 511.

**B. Energy Property Defined.**—Energy property is property that is:  
(1) Alternative energy property.  
(2) Solar or wind energy property.  
(3) Specialty defined energy property.  
(4) Recycling equipment.  
(5) Shale oil equipment.  
(6) Equipment for producing natural gas from geopressured brine.

To qualify for the energy investment credit, energy property must meet the following requirements:

- (1) It must meet the requirements of regular investment credit property, sections 46(a)(1) and 46(a)(3).
- (2) It must be constructed after September 30, 1978, or be acquired after September 30, 1978, if the original use begins with you.
- (3) It must meet certain performance standards for the time of acquisition, if any.
- (4) It must have a useful life of 3 years or more at the time the property is placed in service.

See sections 48(i)(1) through (12) for details.

**C. Special Rules.**—

- (1) Alternative energy property, solar or wind energy property, recycling

equipment, and specially defined energy property do not include public utility property.  
(2) The energy credit is limited to 5% of the basis of the property for which it is claimed, or the proceeds of an industrial development bond (section 45(i)(1)).

(3) Solar equipment does not include "passive solar" equipment.

(4) Specially defined energy property includes property used in an existing industrial or commercial facility. See section 48(i)(10) for a definition of the term "existing."

(5) If the property qualifies under more than one category of energy property, you are limited to a single 10% energy credit for that property.

## **Specific Instructions**

Lines 1(a) through 1(e) and line 9—Enter the total basis and total qualified investment for each category of energy property. Figure the basis and qualified investment for energy property acquired or constructed after September 30, 1978, and for energy property acquired or constructed before September 30, 1978, (See sections 46(c), 46(d), and 46(m).)

Attach a separate schedule showing how you figured the basis and qualified investment for each category of property. The schedule must contain all items of information that are shown in the Sample Computation that appears on page 12 of the instructions. See section 48(i)(1) through (8) for details about items within each category of property.

If a partnership, estate, trust, small business corporation, or lessor made any part of the investment, the schedule must be completed in accordance with the instructions in Part III of Schedule B (Form 3468).

## **Sample Computation Schedule**

Line	Qualification of Asset Within Each Category of Properties	Life years	Basis	Applicable percentage	Qualified investment (column 4 x column 5)
(a)		3 or more but less than 5		33 1/3%	
(b)		5 or more but less than 7		66 2/3%	
(c)		7 or more		100	
(d)	1979 qualified progress expenditures			100	
(e)	1978 and 1977* qualified progress expenditures			20	

Total—Add lines (a) through (e), columns 4 and 6.

\*Applies only to 1977 years ending 10-31-78 and 11-30-78.

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Page 2

If qualified progress expenditures are involved, see section 46(i)(1) through (7) for the instructions for Form 3468 for details.

**Line 4.**—Cooperative organizations described in section 1361(a) may claim the energy credit for the same extent they are entitled to under section 46(i)(1). However, under section 46(i)(1), if the cooperative cannot use any nonrefundable energy credit because of the tax liability limitation, the unused credit must be allocated to the patrons of the cooperative. Apply the recapture provisions of section 47 as if the cooperative had not allocated any part of the credit.

**Line 10.**—Individuals, estates, trusts, corporations, and other organizations (including exempt organizations) if the energy property is used mainly in an unrelated trade or business must file this schedule with their income tax return. The total amount to be entered on the below the dotted line, or in the margin, next to the total, please write "refundable business energy investment credit" and show the amount.

The appropriate forms are the following:  
(1) 1979 Form 1040, line 62, page 2  
(2) 1979 Form 1041, line 37, page 1  
(3) 1979 Form 1120, line 32, page 1  
(4) 1979 Form 1120F, line 7, page 1  
(5) 1979 Form 990-C, line 32, page 1  
(6) 1979 Form 990-T, line 31, page 1  
(7) 1979 Form 1120L, line 28, page 1  
(8) 1979 Form 1120M, line 33, page 1

**Publication 572.**—For more detailed information on business energy investment credit, see Publication 572, *Investment Credit*, which can be got from any Internal Revenue office.





References are to the Internal Revenue Code)

amount of qualified first-year wages cannot exceed 30% of the total unemployment insurance wages paid by the group.



# User Survey

Statistics of Income — 1978-1979 — Corporation Income Tax Returns

Please take a few moments to answer the following questions concerning this *Statistics of Income* publication. Your responses will enable us to direct our efforts to meeting the needs of our users. After indicating your responses, please fold, tape, and mail. No postage is required. Thank you for your assistance.

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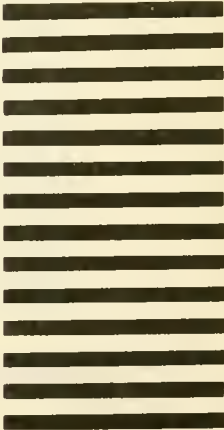
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**1978-1979**

**Statistics  
of Income**

# **Corporation**

## **Income Tax**

## **Returns**

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